Railways Launch Drive to Meet Trucks

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The Nation's Business

Bank Loans to Public Bodies Show Big Rise

Record of Treaties With New Zealand Shows Result of Politics

Governments Alone Increase Borrowings

WHILE deflation of loans has proceeded apace in all branches of business in Canada, governments have continued to increase their borrowings. An analysis has been made by the Canadian Bank of Commerce of all its loans as of November, 1929, the jumping off point of the depression, and again as of February last. This is the first time any bank in Canada has published such figures. The monthly bank statement does not go into details as to the classes of borrowers from Canadian banks. The Bank of Commerce, however, is of sufficient size and scope in operations to serve as an index for the banking system as a whole and its figures are probably representative of the position of bank loans in the country as a whole.

Between November, 1929, and February, 1932, governments and municipal borrowers from the bank increased their loans by 28 per cent. To some extent this reflects the difficulties of selling bonds which throw upon the banks a higher than ordinary burden in temporary financing. But undoubtedly it is also a reflection of the continued lack of deflation in government costs as compared to the volume and the costs in business.

Every other class of borrower from the bank has shown a decrease in borrowings, ranging from 8 per cent in the case of public utility, insurance and similar companies to 52 per cent in the food field and in discounts of commercial paper.

* * *

Politics Unkind to Foreign Trade

NOW that Canadian manufacturers have had time to mull over the provisions of the new Canada-New Zealand trade pact announced last week, earlier favorable reports from leading industrialists as summarized last week in The Financial Post, seem confirmed.

In all but six specified items, notably hosiery, plaster board and electric stoves, the general treaty provisions which were in force two years ago have been regained but in many cases the new rates are somewhat higher than under the old treaty, in addition to which Canadian exporters are handicapped by the surtax of 22½ per cent which has been in force now for over a year and a half, and also by the fact that the New Zealand pound is currently worth only about $3.72. These facts, together with the current low ebb of business conditions in New Zealand, make it doubtful how much actual business Canada will be able to regain in this market before conditions generally improve. That the treaty is only temporary, is effective only for a year, and that its provisions can be varied by order-in-council are factors which tend to instability as far as satisfactory trade relations based on it, are concerned. At any rate, the treaty is welcomed as a good step in the right direction.

* * *

BUT the new treaty and the unfortunate train of events which have led to it during the past two years, do seem to offer a classic example of the ineptitude and inefficiency of political parties when they deal with business matters. When trade was carried on under the old Australian treaty, which applied to New Zealand, the volume was large, of mutual advantage to both countries and particularly to Canada. A political appeal to Canadian dairy farmers, based upon the assumption that imports of New Zealand butter worked a direct injury upon them, caused this satisfactory arrangement to be disrupted by the Mackenzie King government, and subsequently, when the Bennett administration took over, relationships between the two Dominions were all but hopelessly compromised by the severe tariff applied upon New Zealand exports to this country. The new treaty marks the close of a chapter of folly and unwisdom and indicates that Ottawa, at least, is beginning to view New Zealand trade with a degree of sanity.

* * *

THE way in which retaliatory tariffs ruined trade between these countries is revealed by details of Canada's trade with New

(Continued on page 2, col. 5)

Railways Planning Vigorous Campaign On Trucking Field

Will Not Compete on Highways But Use Trucks as Feeders

DRIVE ON PROVINCES

Greater Control of Trucking Will Be Urged—Terminal Truck Facilities to Be Pooled

From Our Own Correspondent

OTTAWA.—Joint plans of the railway companies to meet ever-increasing truck competition call for:

1. Establishing common truck facilities for collection and delivery of express and freight traffic.

2. Adjustment of freight time tables to give more rapid and satisfactory service.

3. Launching of a drive to secure proper provincial control of trucking, with adequate taxation and regulation.

Plans along this line are presently under discussion between the Canadian National and the Canadian Pacific and an announcement of policy may be expected within the next month.

Plan Vigorous Attack

While the railways are preparing to attack the problem of truck competition vigorously, they are by no means certain that the above policy will achieve the desired result. It will not be applied on a nation-wide scale at the outset, but will be tested out in a few centres where truck competition is most severe. If successful, the policy will then be expanded. But at the outset, it is very unlikely that the railways will undertake any large capital expenditures. Necessary trucks for the experiment will be rented, not purchased outright.

Having considered the problem in all its bearings the railways have definitely decided not to go into the trucking business. They will stay with railroading, use trucks only as feeders for their own carriers. Moreover, they will make no serious attempt to recapture the very short haul traffic. It is not remunerative anyway, and they do not believe it can be wrested from the trucks. By very short haul traffic, is meant distances up to 100 miles.

Will Go After Provinces

On the matter of provincial control, the railways will shortly make representations to all the provincial governments. Trucks come under provincial, not federal jurisdiction. The recommendations, here, will include the imposition of adequate taxes on trucks, the restriction of their size and the speed at which they may travel when loaded. Truck operators, in the view of the railways, should be subjected to physical tests similar to the tests given to railway operators. Finally, the provinces will be asked to control rates much as the Railway Commission controls freight rates.

If successful in obtaining provincial co-operation, the railways believe they can recover a good part of the business lost to the highways. That the losses have been severe is not questioned. The Canadian National, alone, estimates that the trucks took $24,000,000 of business from the system last year, and that the growth of truck freight is about 25 per cent per year. The loss this year, therefore, will be approximately $30,000,000.

Forecasters Active On "Textiles" Earnings

From Our Own Correspondent

MONTREAL.—Forecasters are busy trying to figure out the chances of Dominion Textile Co. covering its common dividend of $5 a share in the fiscal year ended March 31, 1932. Officials of the company are silent, pending publication of the annual report which should make its appearance in a month's time. Share earnings in the previous year were $5.06.

Raw cotton values, which play an important part in the final showing made by the company, declined during the year. At the end of the fiscal year ended March 31, 1931, cotton was quoted around 10 cents a pound; at the close of the last fiscal year prices approximated 7 cents a pound. Cotton prices dropped from 16 cents to 10 cents in the previous fiscal period.

Thus the company has had to face a shrinkage in inventory values while operations during the past year are not likely to have shown much improvement from a manufacturing viewpoint. Some of the cotton companies have been able to increase their yardage output in the last year but poor prices have kept the dollar value of sales at a low figure.

Dominion Textile has been fortunate in experiencing a demand for its printed cottons in recent months which should find some reflection in earnings, but this again has been offset perhaps by lessened activity in the tire fabric plants. All in all, prognosticators are of the opinion that odds are against the dividend being covered.

But all admit that the final showing for share earnings is dependent on income from investments which in the previous fiscal year was sufficient to boost total revenue above dividend needs. In that year income from investments totalled $721,953 compared with $561,610 in 1930 and $324,106 in 1929.

The stock is currently quoted around 40 at which price it yields 12.50 per cent.

Highlights of the Week

Happenings That Make News for This Issue of The Financial Post

Railways and Trucks

C. P. R. and C. N. R. plan campaign to meet competition of highway transport operators. Page 1.

Governments Borrow

Bank loans to business are deflated but governments continue to borrow. Page 1.

Stabilizing Prices

Price essay in Royal Bank contest discusses how it may be done. Page 8.

Politics and Trade

Canada finally has a New Zealand treaty again. But "The Nation's Business" shows how politics killed the previous treaties. Page 1.

Anti-Imperialist

There will be one delegation at the Imperial Conference that is lukewarm on the Empire. It is South Africa's. Page 3.

Flying in Artic

It calls for courage, but it's necessary in mining development. Page 14.

$1 to $30,000,000

Such is the variation in the "good will" valuation of Canadian firms. Page 10.

June Rains

They mean the most of the Western crop. The relation between rain and harvest. Page 13.

New Bank

Beautiful new Ottawa office of Bank of Montreal is described. Page 11.

ABITIBI POWER REDUCES BONDS BY $880,000 PAR

Makes Large Capital Saving by Buying at Less Than 40

Abitibi Power and Paper Co. was successful on April 25 in buying and cancelling through the operation of its sinking fund $880,000 in par value of the 5 per cent mortgage bonds, series "A" issued in 1928 and due June 1, 1953. The low prices obtaining in the bond field during 1932 to date have enabled the company to purchase these bonds at an average price of something less than $40. It has, therefore, been able to fulfill this obligation in connection with the bond issue at a saving of more than half a million dollars.

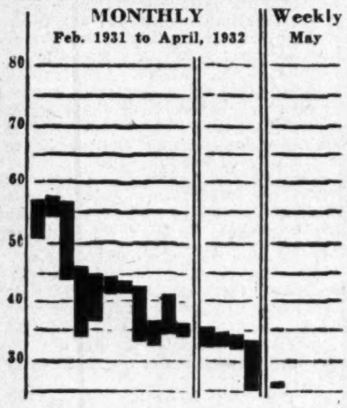
The sinking fund requirement is that sufficient should be retired annually to account for 70 per cent of the principal amount of the series "A" bonds by maturity in 1953.

The first provision for the sink-

(Continued on page 2, col. 4)

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of May 3	26.4	25.4
Week of Apr. 26	27.0	25.9
Month of May, 1931	47.2	36.0
8 Bank Stocks		
Week of May 3	200	200
Week of Apr. 26	202	202
Month of May, 1931	243	218
10 Public Utilities		
Week of May 3	46	44
Week of Apr. 26	46	44
Month of May, 1931	79	64

CANNERS' LOSS SEEN FOR 1931, OUTLOOK GOOD

British Preference, New Zealand Treaty, Higher Prices Aid in 1932

BANK LOANS DOWN

Competitive "Distress" Sales Being Eliminated—Growers' Acreage Cut—New Lines Successful

Though conditions in 1931 in the Canadian canning industry make it a foregone conclusion that the financial statement of Canadian Canners for the year ending February 29, 1932, will show a considerable falling off in net operating earnings, happenings since the close of the fiscal year give a far brighter aspect to the possibilities in 1932. Less than cost prices for such staple canned goods as tomatoes, corn, peas and beans have disappeared in the last two months with advances from 60 cents a dozen tins to 85 cents. Though buyers hold off somewhat at the higher prices the prospects of maintaining these or higher prices are regarded as better in the industry because large blocks of the excess production have disappeared at the low prices and "distress sales" by certain independent but poorly financed companies are not expected to play as large a part in 1932 as formerly.

Reducing Acreage and Credit

There is still a considerable excess of goods in the staple lines mentioned but it is thought that during 1932 this surplus will be reduced to a normal proportion. Officials of various canning companies have been visiting the farms of the growers and have made arrangements for very much smaller acreages than last year. In addition a number of the independent canning companies have found themselves unable to negotiate lines of credit with the banks or elsewhere as the situation does not attract lenders. Canadian Canners has also closed some of its factories and the prospects are therefore that by the end of the year there may be a much better statistical position.

Market Opens in N. Z.

The New Zealand treaty has also opened up attractive possibilities for Canadian Canners in the sale of canned peas. It is true that New Zealand is just beginning to can its own peas, one factory having been built this year, but there will still be room for products of Canadian Canners and possibly some other Canadian factories because of the advantage of 2 cents a pound over United States competitors.

British Opportunities Attract

In Great Britain the emergency tariff preference has also been of considerable benefit to Canadian Canners and especially since the 20 per cent preference has been given as against foreign goods. If at the Conference in July these tariff preferences are continued, the prospects for the future in the export trade will be greatly improved for Canadian Canners. Great Britain is also extending its home activities in the packing of vegetables, but nevertheless it will be a very valuable market. In a year when there happens to be a falling off in production there would be a great vacuum in that market which would be very important in taking off any surplus of products in the factories of Canada. Already canned tomatoes have won favor in that market and every effort is being made to acquaint the public with other products.

United States Exports Stop

In the canning of fruits the present exchange discount on the Canadian dollar has shut out United States fruits to a considerable extent. This has not been so very helpful to Canada as it has been to Australia. There is a duty of 5c. a pound against California fruits, for example, and 1c. against Australian. The result is that there is a great deal of Australian canned goods now in Canada. Prices of Canadian fruits have been so low, however, that foreign goods have not sold very well as yet. Sales have been profitable, however. It is thought that inventories of Canadian fruit are pretty low and that soon the Australian goods will be moving more actively.

The new line of infant foods has taken strong hold.

The rise in price of canned tomatoes, corn, peas and beans has stopped the export to the United States. The rise in value of the Canadian dollar has also worked to the same end. But while the Canadian dollar was selling at a 20 per cent discount in the United States and tomatoes, corn and peas were selling at 60 cents a dozen cans, these goods sailed right over the very high United States tariff. In fact, though these sales were made at a loss, it enabled Canadian Canners and some other companies to reduce excessive inventories to a large extent.

At 60 cents a dozen cans bare sufficiency was received by most of the canners to pay for the cans, the labels, the labor and the cost of the goods, really leaving nothing for overhead and expenses.

Soups Succeed

The very strong working capital position of Canadian Canners gave it an advantage in such a situation in that it had liquid resources which enabled it to finance most of its own requirements. The company developed a number of new lines, notably baby foods, and it pushed its soup lines with considerable success. It is regarded as probable

(Continued on page 2, col. 7)

Dom. Foundries Start Rolling Mill

On April 11, the Dominion Foundries & Steel, Ltd., Hamilton, started rolling steel plate up to 78 inches, their former maximum having been 60 inches. With the enlarged mill they are making prompt deliveries of plates 3/16 in. and heavier up to 72 inches wide in standard lengths. Wider plates up to 78 inches will be rolled on application.

This increased width makes possible the purchase in Canada of a greater volume of the annual steel consumption. Heretofore steel plate exceeding 60 inches in width has been imported.

With this new mill in operation the plates now being rolled in Hamilton can be used to supply the needs of the manufacturers of boilers, bridges, tanks of all kinds, buildings, agricultural implements, railroad equipment, automobiles, structural steel and in fact, nearly every type of steel construction.

MILREIS VALUE HIGH IN BRAZIL, FALLS OUTSIDE

Has Basis For Quick Comeback if Sound Policies Followed

As Brazilian Traction, Light & Power Co. recently found it necessary to return to its stock dividend policy, because of exchange difficulties, interest of shareholders centres once more with great keenness on all the trade and financial factors which affect the exchange value of the milreis. Though the milreis apparently has not in the past been able to maintain stability in exchange for more than a few years at a time some hopeful elements are shown in a report made on behalf of the British Department of Overseas Trade by Garnett Lomax, M.B.E., M.C., Commercial Secretary to His Majesty's Embassy at Rio de Janeiro, together with regional reports by H. M. Consular Officers at Sao Paulo, Pernambuco, Para and Porto Alegre. (Adastral House, Kingsway, London, W. C. 2. Price 2s. 8d., post free).

This clear, informative and interesting book states that the internal situation of Brazil is much better than outside observers could possibly believe when they limit their observations to the fluctuations of exchange and the fact that the Federal and State Governments were obliged to stop payment in foreign currencies on most of its foreign obligations. The country is self-sufficient to an amazing degree and Brazil's resistance, therefore, to the successive financial and commercial disasters of the last two years has been surprisingly stubborn. In spite of the fact that coffee prices have declined to lower levels than the present generation remembers, in spite of the fact that this situation is apt to last for several years, in spite of the dropping of the service on a large part of the states and federal foreign debt, the spread of unemployment has been checked and industrial operations have become a good deal more active.

Politically Satisfied

This activity was indeed stimulated by the dropping in exchange values of the milreis which acted as additional protection. The Brazilian practice of collecting customs duties in gold was the means of automatically doubling the protection afforded. Imports naturally dropped away to a very large degree so that even with the very low prices for coffee and for meat exports, the country has been able to show a favorable balance of trade. The considerable drop in world prices has rather favored the Brazilian people in that they have not felt the lower coffee prices so severely as they otherwise would have.

Mr. Lomax was unable to discover serious dissatisfaction in the country with the provisional administration, which has been liberal and temperate. Drastic economies have been effected in the administration both by reform and centralization of expenditure control. He states that the sound programme of reconstruction drawn up by Sir Otto Niemeyer has been adopted and partly carried into effect in the face of opposition. Drastic increases in the tariff rates, he did not consider really necessary in view of the dropping exchange.

Foreign Loan Not Likely

The country's situation, in his opinion, might have easily been remedied early in 1930 or 1931 if a foreign loan had been possible in order to relieve the strain on exchange. At the beginning of 1931, with a foreign loan the service on the debt could have been maintained and the milreis brought back to eleven cents but the international situation going from bad to worse made the possibility of a foreign loan disappear and Mr. Lomax definitely leaves it out of calculations for the future.

Considerable attention is given in the book to the Niemeyer mission and report and especially to the remarks made in the report on the subject of "perennially unprofitable government undertakings," namely, the posts, the telegraphs and the railways. In these there is clearly shown to be vast scope for reform

(Continued on page 2, col. 5)

LATE SPRING DELAYS SALES SHERWIN PAINT

Seasonal Impetus Lacking as Cool Weather Prevails

BUSY ON LACQUER

Industrial Business to Date Lags Behind Levels of Last Year

From Our Own Correspondent

MONTREAL.—Delayed by a late spring, a sales impetus experienced by Sherwin-Williams Co. of Canada at this time last year has failed to materialize in any marked degree to date. In 1931 sales moved forward with strength early in April; though there has been some stimulus afforded by a few warm days this year those close to the company state that evidence of real improvement in retail sales is still lacking.

Opening of navigation has resulted in a certain demand from shipping circles, but the domestic consumer is evidently postponing his paint purchases until the weather shows a definite sign of warming up. No official statement has been made regarding earnings but it is understood that prospects for gains over last year are hardly encouraging as yet.

Price Cut Avoided

Possibility of further price-cutting again reared its head a short time ago but the majority of paint manufacturers have maintained their prices at winter levels. Further, increased taxation even led to consideration of higher prices, but it was deemed wiser to keep prices at current levels in an effort to secure what business there is.

Consequently at today's values, Sherwin-Williams is selling its products at prices which have not been touched for years; revaluation of inventories in the last fiscal year ended August 31, 1931, was responsible in part for the decline reported in earnings for that period. Further shrinkage during the current year is indicated, since prices have been lowered since the close of the last fiscal period.

Dividends on the $3,460,000 of preferred are maintained but payments on the common were suspended in February, 1932. One feature of the last annual statement was the maintenance of a sound liquid position with working capital of $4,227,449 and a ratio of current assets to current liabilities of better than 7 to 1.

Economies Find Reflection

Considerable economies in operations have been effected which will find full reflection this year. All avenues of expenditure have been carefully surveyed and substantial savings in operating expenses have resulted from this source.

The large new lacquer plant completed early last year is reported to be fairly busy at the present time. This unit has given a good account of itself since it was brought into operation and has improved production facilities in this division to a marked degree. Additional expansion undertaken included acquisition of large areas of mineral deposits near Three Rivers with a view to ensuring an adequate supply of iron oxide in the future; in all over $200,000 has been spent on plant additions and improvements in the past two years.

Industrial Business Off

Sherwin-Williams should be in a favorable position to take advantage of any improvement in general conditions. In the meantime industrial business, that is, sales to manufacturers, transportation companies and similar classes of trade, has fallen below last year's levels and indications for improvement are not clearly apparent yet.

While at this time last year officials were able to obtain a fair idea of how spring sales were moving forward, continued cool weather has held up distribution and makes any estimate of the ultimate volume difficult to gauge.

The common shares are selling at the lowest point in the company's history being nominally quoted at around 7. The preferred, however, has held up well and is quoted around 97.

Canada Biscuit Co. Passed Interest Due May 1, 1932

Canada Biscuit Co., Ltd., following the organization on April 14 in Montreal of a bondholders' protective committee, has passed the interest due on May 1, 1932, on its first mortgage 6½ per cent bonds. Executives of the company, it is understood, have intimated their belief that the company can carry on operations with success if they can secure relief for a few years from the payment of bond interest. They state that reorganization now going on has resulted in large economies, that sales as measured in dollars and cents in the last four weeks period were within 90 per cent of last year and that most of the 10 per cent decrease has been occasioned by the drop in selling prices, which are lower than last year. The cumulative sales total for the year would show a somewhat larger decrease than this.

The bondholders protective committee organized in Montreal consists of R. D. Bell, A. P. S. Glassco and R. W. Steele, who have addressed bondholders suggesting deposit of bonds with the Montreal Trust Co. as depositary upon terms which vest the committee with power to act. The committee states its belief that no proposal should be accepted by the bondholders, substantially affecting their rights and equity "without full investigation and scrutiny on their part or by a committee representing them."

The proposed agreement sent to bondholders by the committee stated that principal amount still outstanding of the $2,200,000 6½ per cent sinking fund gold bonds, Series "A," was $1,792,500, that reorganization of the company might become necessary and that bondholders should be organized to act in unison. Its 12 pages of printed matter cover exhaustively every probable and possible action which the committee might find advisable and each depositor by signing gives the right to the committee to do whatever it may consider best in his interest.

Governments Pile Up Bank Loans as Others Put Ships in Order

Leading Canadian Institution Sets Precedent in Chartered Bank History by Analyzing Loans to Various Groups

GOVERNMENTS BIGGEST BORROWERS

All Other Borrowers Show Heavy Decline in Demands in Two-Year Period But Government and Municipal Loans Rise 28 Per Cent

For the first time in Canadian banking history a Canadian chartered bank has disclosed publicly the disposition of its loans as between the various classes of borrowers in the community.

Canadian Bank of Commerce in its May monthly letter analyses its $291,000,000 of loans and other credit advances as at the end of February and shows changes which have taken place since November, 1929. The decline in this period is no less than 29.6 per cent.

Government Borrowings Jump

The amazing feature of the analysis is that while business loans have dropped all the way from eight per cent as in the case of insurance, trust and public utilities to 51 per cent in the case of general stores, wholesalers and retailers,—governments and municipalities have increased their borrowings no less than 28 per cent.

Two years ago the bank's biggest group of borrowers were grain, flour and meat men. At that time they borrowed 18 per cent of the total outstanding, while governments and municipalities ranked fourth with about 10 per cent of the total. Today governments and municipalities rank first with 18 per cent of the total while flour, grain and meat firms are in third place with less than 13 per cent of the total.

Here are the comparative figures as released for the first time by the bank:

Composition of the Loans in Canada of the Canadian Bank of Commerce in the Autumn of 1929 and at February, 1932

	Nov., 1929	Feb., 1932	% of Inc. or Dec.
1. Governments and municipalities	$43,000,000	$55,000,000	+28.0
2. Public utilities, insurance companies, trust companies, automobile finance companies, etc.	24,000,000	22,000,000	— 8.3
3. Farmers and ranchers	32,000,000	26,000,000	—18.7
4. Grain, flour, meats, etc.	78,000,000	37,000,000	—52.6
5. Manufacturers:—Agricultural implements, iron and steel, mining, automobiles, textiles, wearing apparel, etc.	41,000,000	30,000,000	—26.8
6. General stores and sundry wholesalers and retailers	29,000,000	17,000,000	—51.4
7. Lumbering industry, including pulp and paper	13,000,000	9,000,000	—30.8
8. Contractors, builders, etc.	14,000,000	10,000,000	—28.6
9. Call loans, loans on securities to security houses, underwriters, etc.	55,000,000	33,000,000	—40.0
10. Sundry dealers and traders, and individual customers of the Bank throughout the Dominion	63,000,000	42,000,000	—33.3
11. Trade paper discounted, sterling and foreign bills of exchange purchased	21,000,000	10,000,000	—52.4
	$413,000,000	$291,000,000	—29.6

In commenting on these figures the bank points out that it is useless to suggest that more credit should be granted to industry as a stimulus to business, for while banks would welcome this, no commercial or industrial firm would accept the money if it were offered to them for they could not employ it advantageously. What is needed, it is claimed, is an upturn in commodity prices which would quickly stimulate loans.

The bank's comments, in part, are as follows:

"At a time when the world's credit system is a popular topic of discussion, we show a classification of this institution's loans and other credit advances. As the bank's operations extend practically over the whole of Canada the figures may be taken as representative of Canadian bank credit in its entirety.

"Some explanatory notes are necessary. The figures in general illustrate the trend of economic events during the period covered, for the percentage decline in total loans is close to that in business activity, although it should be kept in mind that bank credit is a revolving fund, liquidation of loans and fresh advances occurring every day. But specifically, loans to governments and municipalities reflect the support that banks afford these bodies when public financing is difficult.

Farmer Repayments Good

"As might be expected, loans to public utilities and other concerns grouped in item 2 show the least decline, for borrowing among some in this class is not so regular as in others and frequently only for short periods. The outstanding feature in respect of loans to farmers and ranchers is that repayment, while at a slower rate than in most other classes, has been satisfactory considering the severity of depression in agriculture. Items 4, 5, 6, 10 and 11 reflect not only the smaller volume of products moving in trade channels, but also the decline in commodity prices and in stocks of goods, manufacturers and merchants having replaced their stocks held in 1929 with lower-priced goods, and reduced the size of their inventories.

"Further in regard to these classes, it will be recalled that in the autumn of 1929 abnormally large stocks of grain were held in this country, in contrast with the smaller holdings that naturally followed the short crops of 1931. As is well known, building has slackened greatly during the past year which accounts mainly for the reductions in items 7 and 8, for the majority of loans therein were to lumbermen and contractors. The marked change in call and other loans resting on securities grouped in item 9 probably requires no extended explanation, as there has been drastic liquidation and depreciation in securities the world over.

Credit Can't Be Used

"It has been suggested that more credit should be granted industry and, while the banks would welcome an increase in their loans, commercial and industrial firms would not accept the money at the moment if it were offered to them, for they could not employ it to advantage. Given a stimulus to commodity prices, bank loans would turn upwards. Canada, however, is a seller in the world markets of such basic commodities as wheat, lumber, metals, pulp, paper and fish, the prices for which are, unfortunately, determined by world conditions and there is not much that can be done here to raise them. It is a question of the prices that an economically sick world can pay for such commodities.

"Another proposal is that the currency be inflated and the Canadian dollar depreciated in terms of the gold exchanges. That course has some advantages to certain producers and exporters, but on the other hand Canada has been a large borrower abroad and what we would gain on the one hand would be largely, if not entirely offset by what we would have to pay for the increased value of the United States dollar or the pound sterling, as the case may be, in order to pay our foreign debts and to import commodities that must be purchased abroad. We cannot make comparisons with the United States, Great Britain or France because they, apart from intergovernmental debts, are creditor nations which have a constant flow of money coming to them from abroad. Canada, on the other hand, is a debtor nation. Our successive waves of prosperity have usually occurred during periods of extensive construction of railways, highways and manufacturing plants, when large sums for investment were being poured into the country. So far as one can judge the situation at present, our great construction era is over for at least a few years, and our next prosperity should arise from increased commodity prices and from economies in production. Such a process is usually slow, but bank loans will again readily expand when the demand occurs."

Investor's Index

INDUSTRIALS, UTILITIES, ETC.
Abitibi 1
Agnew Surpass . 8
Aluminium Corp. 10
Anglin Norcross . 8
Arnold Bros. . . . 5
Asbestos Corp. . 10
Brew. & Distil. . 8
Bk. of Montreal . 11
Bell Telephone . 9
B. C. Packers . . 8
Calgary Pwr. . . 9
Canada Dry . . . 2
Can. No. Pwr. . 10
Can. Biscuit . . . 1
Can. Airways . . 3
Can. Fin. Found. 9
Can. Ind. Alcohol 4
Can. Light & Pr. 5
C. N. R. 4, 5
C. P. R. 4
Confed. Amuse. . 13
David & Frere . 13
Detroit Tunnel . 5
Dom. Coal . . . 9
Dom. Distillers . 3
Dom. Textile . . 1
Dom. Foundries . 1
Donnacona P. . 4
Dosco 3, 10
Drummond St. R. 9
Duke-Price Pr. . 8
Dunlop Tire . . . 2
East Koot. Pr. . . 4
General Steel . . 9
Goodyear Tire . . 2
Gleneagles Inv. . 9
Goderich Elev. . 5
Chas. Gurd . . . 10
Imp. Oil 6
Ind. Acc. Corp. . 3
Intl. Hydro . . . 4
Intl. P. & P. . . 4
Jam. Pub. Serv. . 4
M. Loew's Theat. 5
Lord Nelson Htl. 10
Loew's London . 5
Mercury Mills . 13
Mtl. Coke 4
Mtl. Cottons . . . 3
Mtl. Power . . . 4
McColl Front. . 10
Natl. Brew. . . 3, 10
Photo Engravers 8
Prov. Glass . . . 13
Quebec Cent. Rly. 13
Quinte & T. V. P. 10
St. Law. Paper . 4
Toro. Elevator . 5
Tucketts 8
United Secs. . . . 4
Wabasso Cotton . 3
West Koot. Pr. . 9
Winnipeg Elec. . 9
MINES AND OILS
Acme G. & O. . 14
Can. Pandora . 14
Dome 14
Eldorado 2
Falconbridge . . 14
Henry Bros. . . 14
Hollinger 14
Howey Gold . . . 9
Intl. Nickel . . . 14
Kirkland-Prem. . 9
Reno Gold 14
San Antonio . . . 14
Sylvanite 9
Teck-Hughes . 9, 14
Ventures 9
QUOTATIONS
Bonds 12
Grain 12
Mines 13
Stocks 12
Foreign exchange . . . 13
REGULAR DEPARTMENTS
Answers to Enquiries 9
Business 7
Banking 11
Editorial 6
Insurance 11
Mining 14
Power & Paper 14
Utilities & Transportation 4

"You may drive them far,

Like a swatting 'star,'
But what of it all
If the 'blinking' ball
Won't drop in the 'blooming' hole."
(apologies)

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T. EATON C° LIMITED

Two Toronto Exchanges Cut Out Duplicate Listings

Toronto Stock Exchange and Standard Stock & Mining Exchange for the first time this week have been operating under the new arrangement whereby all trading in mining stocks with the exception of International Nickel and Consolidated Mining & Smelting takes place on Standard and all trading in industrials on Toronto Stock Exchange. So far little difference has been made in the total volume of trading on the two exchanges but it is hoped that the new arrangement will work out over the long view beneficially to both. Nickel and Smelters are the only stocks now traded on the two boards.

Toronto Stock Exchange now has all the business in Toronto in Imperial Oil, International Petroleum and British American Oil, whereas Noranda, Dome, McIntyre, Hollinger and first-line mining company stocks will be traded in only on Standard.

Toronto Stock Exchange proposes to use part of its large cash surplus to buy in four seats now overhanging the market. These can be obtained at present for about $24,000 each and it is argued that this action will strengthen the position of the Exchange until business revives, while giving the Exchange an asset of great value when increasing business makes it necessary once again to increase facilities of the Exchange.

Goodyear Firms Canada and U.K. Seek N.Z. Trade

Goodyear Tire & Rubber Co. of Canada, which did in 1930 a New Zealand business of about $1,000,000 and only about $50,000 in 1931 after the New Zealand treaty was dropped, hopes to resume a considerable part of the old business under the new treaty arrangements. The only question arising in the mind of executives in Canada is as to the extent that the business will return to the Canadian factories.

When the treaty was dropped New Zealand began buying Goodyear tires from the Goodyear Tyre & Rubber Co. (Great Britain) factory in England. As the British pound still gives New Zealand purchasers a slight advantage over Canada British Goodyear will probably retain some share of the business for its Wolverhampton factory which has a capacity of 2,500 tires a day. Business interrupted is not reversed in a day and the two Goodyear companies will probably both be after the business.

Tire business prospects for 1932 were not very encouraging aside from hopes arising from the treaty. Sales are down as compared with the same period in 1931 though production has been kept up in the hope that the spring would awaken a greater demand. The decline is about even with the general decline of business in the period.

J. H. Roaf Joins Advisory Board

Toronto General Trusts Corporation, Toronto, announces that J. H. Roaf has joined their Advisor Board in Vancouver. Mr. Roaf is managing director of Clayburn Company Limited, a director of Marshall Wells B. C. Limited, and a past chairman of the Canadian Manufacturers' Association.

SAY LIVING COSTS DROP 20.7 PER CENT

Earnings Reduced 32 Per Cent by Fall in Wage Rates and Short Time

According to a survey made by the National Industrial Conference Board of the United States, the cost of living for wage earners declined 20.7 per cent from October, 1929, to February, 1932, while the average reduction in wage rates for the same period was 13 per cent. The survey covered 1,500 companies whose average employment in 1929 was 2,160,000 but who now employ 1,556,000, or 26 per cent fewer, workers. The companies covered include manufacturing, extractive industries, public utilities, retail trade and financial institutions.

Returns show that approximately four out of five companies have reduced salaries and wages, and would indicate that reductions have not been influenced appreciably by the labor policy of the employer in respect to the union or the open shop. An unweighted average of the amount of reductions indicates, that executives have had their compensation reduced 20 per cent, routine wages have declined 15 per cent and wage rates have dropped 13 per cent.

Business Week, New York, challenges the findings of the Conference Board on the grounds that the standard cost of living index used does not contain many important items in which price declines have been relatively unimportant, and also points out that, under present conditions of part time employment, wage rates are no measure of workers' incomes. It also points out that of the two million workers employed by these 1,500 companies in 1929, more than 550,000 have lost their jobs and probably have no income. The 1,556,000 still employed have had their wage rates cut 13 per cent and their average hours of work per week cut 24 per cent, so that their actual weekly income is down 32 per cent from which they must meet costs of living which have declined 21 per cent.

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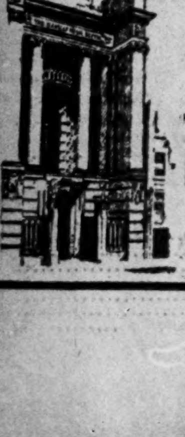

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SUGAR REFINERIES URGED TO BOOST BEET PRODUCTION

Government May Enter Business if Beet Sugar Not Encouraged

Growing and refining of beet sugar in Canada, particularly in the Western provinces should receive a substantial impetus if the findings of the House of Commons committee on agriculture and colonization made public recently, are implemented.

The recommendations of the committee which heard evidence from nine experts during recent weeks, may be summarized as follows:

(a) That existing cane sugar factories whose capacity is far in excess of production, should provide gradually increasing facilities for refining of beet sugar in Canada.

(b) That factory facilities should be steadily increased in western areas where beets are grown thus increasing the proportion of beet-made sugar produced in Canada.

(c) That if no immediate attempt is made to increase the facilities for manufacture of beet sugar the government should take into consideration steps to accomplish that end.

The committee's findings which include a comprehensive review of the sugar industry in Canada, together with the names of witness called and examined by the committee are as follows:

"1. That the production of sugar beets has been carried on very profitably in certain districts of Ontario and Alberta; that the area under cultivation has increased from 25,000 acres in 1921 with a yield of 200,000 tons to 42,000 acres in 1931, with a yield of approximately 435,000 tons, and that the production of refined beet sugar has increased from 53,000,000 pounds in 1921 to approximately 100,000,000 pounds in 1931.

"The amount paid to the farmers for beets in 1931 was about two and one-half millions of dollars; during the period of normal commodity prices for farm products, an average price of $7.48 per ton was paid to the farmers for sugar beets, but owing to the present low price of raw cane and refined sugar, the factories claim that they are unable to guarantee more than $5 per ton for the 1932 crop.

"2. That large additional areas, suitable for the growth of sugar beets, are available in Canada.

"3. That there are five firms engaged in the refining of sugar in Canada—The Canada and Dominion Sugar Company Limited, producing cane sugar at their Montreal factory, and beet sugar at Chatham and Wallaceburg, Ontario; the British Columbia Sugar Refinery, producing cane sugar at Vancouver, B.C., and beet sugar at Raymond, Alberta. The Arcadia Sugar Refinery Company, Limited, Dartmouth, N.S., The Atlantic Sugar Refinery, Limited, St. John, N.B., St. Lawrence Sugar Refinery, Limited, Montreal, P.Q. The last three have engaged exclusively in the manufacture of cane sugar.

Beets Production 10 Per Cent

"4. That during the past ten years the annual average production of refined sugar in Canada was 963 millions of pounds; the percentage of beet sugar production has varied from 6.2 per cent in 1926 to approximately ten per cent in 1930 and 1931.

"5. That the sugar beet factories at Chatham, Wallaceburg and Raymond, are now operating at full capacity, and that no further development of the beet sugar industry in Canada is possible until manufacturing capacity is increased.

"6. That world stocks of sugar on hand are very large and that an extended surplus of some four millions of tons will be carried over to next year.

"7. That there is sufficient capacity in the cane sugar refineries of Canada to refine two and one-half times the amount of sugar necessary to meet the demands of the Canadian consumers.

"8. That the consumption of sugar in the area from Winnipeg to British Columbia is approximately 225,000,000 pounds supplied from eastern Canada as far westward as the Brandon district, and from Vancouver, eastward to the Brandon district, except for the thirty million pounds of beet sugar manufactured at Raymond, Alberta.

"9. That freight rates on sugar from Raymond, Alberta, to prairie points are from one-half to three-quarters of a cent per pound less than rates to similar points from Vancouver or Montreal.

Bonuses Not Favored

"10. That the granting of bonuses or subsidies at present to encourage the production of sugar from beets, was not favored by the representatives of the growers or of the refiners.

"Your committee therefore recommend that in view of the existing tariff on sugar and in consideration of the substantial payments being made to agriculture and labor by the beet sugar factories at present in operation, the cane sugar refineries should undertake to provide for a gradual increase in factory facilities for the refining of beet sugar in Canada, and that, with the additional advantages in freight rates to points in the middle west, heretofore described, factory facilities should now be steadily increased in western areas where beets are grown, and thereby make it possible to produce from beets a more substantial percentage of the sugar consumption of Canada.

"Your committee further recommends that if no successful attempt be made in the immediate future by the refineries to increase the facilities for the manufacture of beet sugar, the government should take into consideration steps to accomplish that end."

Eldorado Ore Assays Higher Than Expected

The Financial Post is reliably informed that the unofficial results of the bulk sampling of the 20 tons of Eldorado Gold Mines radium ore sent to the Mines Department at Ottawa, has shown results better than was hoped for.

At the annual meeting of Eldorado it was stated that it was expected the commercial grade of ore would assay about 40 per cent uranium oxide. It is therefore taken for granted that the results obtained at Ottawa were in excess of this figure.

ABITIBI POWER REDUCES BONDS BY $880,000 PAR

(Continued from page 1)

ing fund was made on June 1, 1931. In that year—it was reported by Alexander Smith, president—nearly $1,000,000 of the funded debt was retired and the consolidated income and surplus account showed that a profit was made of $197,205. The low prices obtaining in the bond market, therefore, in these two years allowed the company to dispose of capital obligations at prices which have saved more than $700,000.

Retired $1,725,050 in All

Owing to low prices for newsprint and to the still more serious factor of the present low demand, confidence of investors has been badly shaken in nearly all pulp and paper companies. Abitibi bonds are widely held and, in spite of the comparatively favorable statements shown in recent years, there has been considerable anxiety with regard to the interest payment due June 1, 1932, on the $48,275,000 first mortgage bonds now outstanding. This amount outstanding before June 1, 1931, was $50,000,000. The matter of interest payments will no doubt be taken up by the directors in the course of time and action taken. No official statement has been made this year to date as to the earnings or exact situation of the company since the annual report for 1931 was made, but the success in meeting the sinking fund will be an encouraging feature to bondholders.

FLOWER OUTPUT DROPS 35 PER CENT

Roses Lead 15 Varieties of Cut Flowers in Quantity and Value

Value of floricultural and decorative plant production in Canada for the year ended May 31, 1931, based on the amounts sold by wholesale florists and commercial growers of decorative plants and flowers, amounted to $1,857,280 as compared with $2,879,041 in 1930, a decrease of approximately 35 per cent. Cut flowers make up more than 70 per cent of these totals in both 1931 and 1930, cut flowers grown indoors totalling 21,150,775 valued at $1,192,419 in 1931 and 29,195,107 worth $1,785,141 in 1930. In addition cut flowers grown outdoors were valued at $145,364 in 1931 and $252,537 in 1930.

Roses are the most important of the various kinds of cut flowers accounting for 60 per cent of the value of cut flowers grown indoors in 1931 and almost 40 per cent of floricultural and plant production of that year. There were 9,133,481 roses worth $715,921 sold in 1931 as compared with 11,410,773 worth $974,275 in the previous year. The next flowers in order of value are carnations of which 3,364,076 worth $143,447 were sold in 1931 and 3,147,787 worth $175,050 in 1930 and chrysanthemums with 2,093,103 worth $111,628 in 1931 and 3,021,665 worth $217,322 in the previous year.

Canada Dry Ginger Ale Shows Slight Profit

Canada Dry Ginger Ale Inc. had net profit of $41,472 in the second quarter ended March 31 as compared with profit of $468,498 in the corresponding period of 1931 and loss of $23,560 in the first quarter of the current fiscal year which ends September 30, 1932. Earnings in the quarter just ended amount to 8 cents per share against 91 cents per share earned in the same period of the previous year.

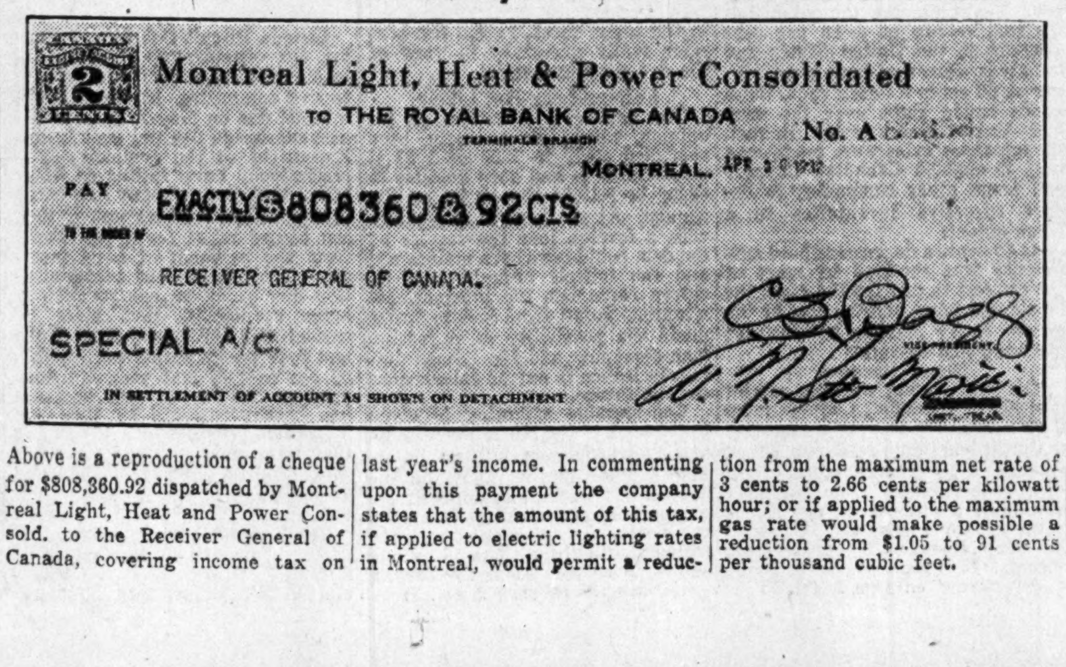
Canadian sales and profits of the company in the six months ended March 31, 1932, showed an increase over sales and profits in the corresponding period of the previous year. According to P. D. Saylow, president fo the company, this is especially interesting in view of the present agitation in the United States over "beer legislation," indicating as it plainly does that even where beer is readily available it is possible to secure continuing increases in ginger ale sales.

Dunlop Tire & Rubber Adds to Directorate

G. W. Huggett and J. I. Simpson, both of Canadian Industries Ltd., were added to the board of directors of Dunlop Tire & Rubber Goods Co., on April 22. The board reorganization results from establishment of more intimate management relationship with Canadian Industries Ltd. which holds an important financial interest in Dunlop.

Canadian Industries Ltd. will, in future, take a more active part in Dunlop management and is represented by W. R. Walton Jr. as active manager. J. Westren will remain as vice-president in an advisory capacity.

This Income Tax Cheque Welcomed at Ottawa



2 CENTS

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Above is a reproduction of a cheque for $808,360.92 dispatched by Montreal Light, Heat and Power Consold. to the Receiver General of Canada, covering income tax on last year's income. In commenting upon this payment the company states that the amount of this tax, if applied to electric lighting rates in Montreal, would permit a reduction from the maximum net rate of 3 cents to 2.66 cents per kilowatt hour; or if applied to the maximum gas rate would make possible a reduction from $1.05 to 91 cents per thousand cubic feet.

The Nation's Business

(Continued from Page One)

Zealand in recent years, which are as follows:

	Imports	Exports
1929	$14,987,302	$20,405,831
1930	14,675,920	15,008,985
1931	1,508,822	4,573,319

This slaughter of imports and exports was caused by the political unrest worked up over imports of New Zealand butter. The campaign against the old treaty began in 1925 and reached its climax in the 1930 general election. Throughout this period The Financial Post stated repeatedly and proved conclusively by government statistics, that this importation of butter was working no hardship upon Canadian dairy farmers. All that was happening was that Canadian dairymen were finding other and more profitable markets for their milk and cream, and were leaving the least profitable market to New Zealand. Butter prices, during this period, were based upon the New Zealand price, plus cost of shipping to Canada. During all these years prices in Canada were higher than before the treaty, much higher than after October, 1930, when the treaty ceased to be effective.

And in return for allowing New Zealand entry to a market which was not sufficiently profitable to attract our own dairymen, this Dominion enjoyed a very large volume of profitable export trade in a wide variety of manufactured products — notably automobiles, rubber tires, hose, tubing, iron and steel products and paper.

* * *

IT IS now argued by the Liberal party that the disastrous results which followed the abrogation of the treaty would not have occurred had they retained office. Their case is that New Zealand butter would never have had to face a tariff higher than four cents per lb. This was the amount of protection sought in 1930 by the National Dairy Council, and agreed to by the dairy industry generally.

The Bennett government, however, was not content to give the dairy industry what it sought, but put up the tariff against New Zealand to eight cents per lb. The motive was not unworthy. The Bennett government believed this tariff would be reflected in higher domestic prices, that dairy farmers would reap the reward. In fact, the result was quite different. Canadian dairymen went into butter, true enough, but the increase in production was so rapid that within a very few months the needs of the home market were met and there was an exportable surplus which fixed the price for all our butter. In other words, the price of butter in Canada became the price in London, England, less the cost of shipping it there. As the Bennett policy worked out, the high tariff on butter achieved nothing for the dairy industry while it completed the ruin of a highly profitable export trade to New Zealand.

* * *

BOTH political parties are to blame for this deplorable state of affairs. The Liberal party erred grievously in abrogating the 1925 treaty: the Conservatives in applying an excessive tariff on butter. Had the business sense of our politicians been equal to their political sensitiveness, the old arrangement would still be in effect.

From mid-summer, 1930, until last week, both Dominions proceeded against each other in tariff matters as if they were sworn enemies. New Zealand, finally, removed Canada from her British preferential tariff, and Canada overlooked few opportunities of hitting back. In New Zealand these increases in tariff were declaredly retaliatory, but no such offensive term ever was used at Ottawa.

During these months of economic war, the Canadian government talked repeatedly of obtaining a treaty with New Zealand which would work no "hardship" upon any Canadian industry. The fault with the old treaty, it was said, lay in the fact that it opened the Canadian market to farm products, working a direct injustice upon our farmers. There were commodities produced in New Zealand which did not compete in any way with Canadian production and these were to be the sinews of the new agreement.

Publication of the new New Zealand treaty last week proves these hopes to be entirely illusory. The new treaty, like the old trade arrangement, rests squarely upon agricultural commodities. The advantages which New Zealand hopes to get out of the treaty are largely confined to butter, meats, hides and sausage casings. In principle, the new treaty is precisely the same as the old. The Bennett government has adopted the Robb policy. The general level of treaty rates, however, is much higher than formerly. It is exactly the same kind of a bargain, but not as generously conceived.

MILREIS VALUE HIGH IN BRAZIL, FALLS OUTSIDE

(Continued from page 1)

and reorganization, "preferably along the lines of giving the services concerned an independent autonomous administration with full powers and free from political control." The report repeats the recommendation of the Montagu mission that the government should "divest itself of participation in commercial undertakings," and especially that it should get rid of the government owned steamship company. Niemeyer's report suggested that the customs duties, which lay a heavy and unequal burden upon the community, should be reduced at the earliest moment the general financial conditions would permit.

Must Stabilize Exchange

Reference has already been made in The Financial Post to the recommendations in the report for a Central Reserve Bank and for a simplified and unified budget. The report points out further that "neither budget equilibrium nor normal commercial business of the Republic can possibly be maintained unless exchange stabilization is first attained." This is an important opinion as it applies equally to the dividends on Brazilian common, so widely held in Canada, and to the interest on government bonds which also have been sold to a considerable extent to investors in the Dominion. It is pointed out that in the balance of international payments there has usually been a deficit on international account and that this has been remedied in the past, usually by foreign capital investment in Brazil. The necessity of encouraging such investments is pointed out but insistence is laid upon the fact that they can only be expected if the government scrupulously retains its reputation for prompt attention to all government obligations.

The government, it is suggested, in consultation with the Central Reserve Bank should have power to withhold permission from local authorities to borrow. In the meantime it is recommended that an early settlement should be reached by agreement with regard to debts of local authorities which have long been in serious default.

Has Great Resources

The book agrees with Sir Otto Niemeyer that it is important for Brazil to develop a greater diversity in exports because of the numerous disadvantages in too much dependence upon coffee. It also emphasizes the closing words of the report of Sir Otto Niemeyer that his report should not be considered as being pessimistic because it was necessarily concerned almost entirely with showing the things which should be corrected. "Brazil is not alone in facing financial difficulties at the present moment; in many respects her difficulties are less than those of other countries, and she may justly challenge comparison. It is impossible to travel even for a few weeks in the central provinces of Rio, Sao Paulo and Minas without being impressed by her great natural fertility and her undeveloped resources. No country would better repay sound financial administration or is more worth every attempt to keep even in difficult times to high financial tradition; and no country is likely to profit more by the effort, if successfully made."

The recourse to barter is dealt with at considerable length and special attention is given to the deal with the grain stabilization corporation of the United States, whereby 25,000,000 bushels of wheat were exchanged for 1,275,000 bags of coffee. Unfortunately, while certain advantages accrued from this, it took the business out of the normal channels so that bills of exchange became more difficult to get than ever.

Revising the Tariff

In 1932 it is intended to revise the tariff thoroughly. This new law will have a system of preferential and retaliatory rates by means of abatements based upon 100 per cent gold rate for collection of duties in place of the existing 60 per cent gold and 40 per cent paper system. The intermediate tariff system came into force toward the end of 1931.

Various decrees have been made with the object of increasing consumption of local products, one decree was for the purchase of ten per cent national alcohol with all petrol imported. This percentage was later reduced to five per cent. Some difficulties in mixing alcohol and petrol have been met and to a certain degree this decree is therefore a dead letter. The decree that importers of coal should purchase native coal to the extent of ten per cent has been more utilized. A decree to restrict the importation of machinery has become a dead letter also as the increasing industrial activity made it urgent for many companies to get modern machinery.

Milreis Good in Brazil

In Brazil there are ample supplies of food, clothing and of shelter and therefore actual distress can only exist for a short period when there are delays in employing surplus labor in agriculture and home industries. Whatever its value for exchange purposes, Brazilian money has a definite value in the country itself, and therefore does not worry the majority of the population. Invisible imports and exports which play so large a part in other countries have little effect in Brazil where foreign trade reduces itself in the present emergency to the finding of enough exports to pay for imports. Naturally, therefore, orders for imports are reduced to a minimum owing to the effect of the low exchange, lack of purchasing capacity and high duties.

Mr. Lomax states, nevertheless, that the prospects for British trade have never been so favorable for years. The devalorization of the pound has given Great Britain an advantage which it did not previously have.

In 1931 the favorable balance of trade was nearly twice as great as in 1929 and very much greater than in 1930. This was in spite of the fact that the average value of a bag of coffee declined from a little more than $20 in 1929 to about $6 in 1931

Tackling Big Jobs

Mr. Lomax estimated the 1931 crop of coffee at 25,000,000 bags, world stocks at about 29,000,000 bags and the current crop in other countries at about 9,000,000 bags more, or 63,000,000 bags in all, against the world consumption in 1931 of about 25,000,000 bags, leaving a surplus at the end of the year of 38,000,000 bags, or about 35 per cent more than the surplus at the end of 1930. By aid of an export tax, first of ten shillings and later of fifteen shillings a bag, the government has been trying to cope with the surplus by buying inferior coffee and burning it.

The problem is primarily one of over production. Other coffee-producing nations have refused to co-operate in restricting production and it is thought by burning steadily the world surplus can be reduced to manageable proportions by 1936. A heavy tax per coffee tree on all future plantings, except for replacements, has been placed, and in conjunction with the destruction of from eight to twelve million bags each season authorities are hopeful. These measures at least make clear the fixed determination of the government to settle the coffee problem and to increase the price of coffee. Coffee is the stable Brazilian product and coffee prices are the measure of Brazilian prosperity. Whether this policy will be successful or not remains to be seen. In conjunction with a comprehensive scheme of banking reform much is hoped for from it.

Diversifying Steadily

The southern parts of Brazil are ideal for cattle ranching and Mr. Lomax does not see why the export of meat cannot become a very much greater factor in the country's situation than hitherto. The United Kingdom is Brazil's largest and almost only market.

The country is increasing its fruit products and apparently can be expected to go more actively into the export market for oranges, bananas and such fruit than it has done in the past. Prospects this year are only moderate. The principal imports of the country in order of tonnage have been coal, coke, wheat, flour, cement, iron, steel and fuel oils. In value, wheat and flour together have been most important and machinery comes next, followed by fuel oils and iron and steel manufactures and coal. Naturally, the absence of gold in Brazil has made it possible to pay for imports only from the proceeds of the export trade, thus a ruthless balancing of the international payments position has been forced upon Brazil. Even so, it is obvious that the year will close with a large, though incalculable, sum outstanding, representing the deficit in exchange for commercial remittances and the proceeds of over-due commercial bills, not to mention foreign debt payments.

Until this deficit has been reduced it will be virtually impossible for imports to increase and, it may be added, shareholders of Brazilian Traction and holders of government bonds need not expect dividends and interest on any permanent basis. Mr. Lomax, however, expects during the second quarter of 1932, an improvement in the imports.

Imports of motor cars were only about one tenth in 1930 what they were in 1929, with a little improvement in 1931. All the newsprint is imported but Brazilians make most other types of paper. Canada should note that most of the wheat flour has been supplied by the U. S.; Newfoundland gives it codfish; Great Britain and the Ruhr, its coal.

The British Consular reports make it evident there are a number of interesting developments possible in Brazil which have been held up until investor confidence is re-established. It seems probable that important works, either new transport links or the reorganization of existent services, may be initiated in 1932. Brazil has had problems similar to those of Southern Saskatchewan, following drought in some of its agricultural districts which produced a drying and drifting of soil and an exodus of population. This necessitated considerable relief work and will probably result in larger irrigation projects

CANNERS' LOSS SEEN FOR 1931, OUTLOOK GOOD

(Continued from page 1)

that the statement will show that its fruit canning and its soup lines have shown a considerable profit. With more than four score products the company was also able to make up for the losses on tomatoes and other over-produced lines to a certain extent.

Informed opinion leans to the expectation that Canadian Canners' report will show still the strong financial position exhibited in recent years, that bank loans will be considerably lower than a year ago, that bonds will show the usual reduction and reserves be looked after. Just what write-offs will be made cannot be forecast but inventories have improved in value greatly since the end of the company's fiscal year. The dividend rates are in the case of this company no criterion as to earnings as those rates have been based on earnings of the preceding year. The company's position, however, is understood to be relatively better than those of its competitors in the United States.

Too much attention may be paid to the excess inventories. Only the financial stringency made the surplus burdensome. Packers expect a glut one year or two years, followed by a scarcity. The surplus of one period tides consumers over the dearth of another.

Obituary

Gordon G. Duncan, B.A.Sc., director of exploration, Northern Aerial Mineral Exploration Co., died at Toronto, April 27, in his 36th year. Following graduation from the University of Toronto in 1923, he was field engineer for the Mining Corp. of Canada. From 1925 to 1929 he was with the Whitney interests associated with the Flin Flon operations.

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Plan N. B. Maple Organization

A movement is under way to organize the maple producers of New Brunswick in an effort to improve the quality of products and stabilize prices, according to Marvin L. Dunphy of Andoulas, a leading producer.

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PRIVATE RADIO DENIED CHANCE TO SHOW ITSELF

Hampering Regulations Hold Back Broadcasting in Canada

That private operation of radio broadcasting in Canada has never had a proper chance to demonstrate its full potential usefulness is the allegation made by D. H. McDougall, president of Rogers-Majestic Corporation, Toronto. Mr. McDougall's company operates, through a subsidiary, station CFRB, in Toronto. Mr. McDougall opposes radio nationalization and feels that any attempt on the part of bureaucracy to dictate public taste is doomed to failure.

Mr. McDougall's statement to The Financial Post is as follows:

"The use of the air for broadcasting should be controlled in the same way as the use of public roads, airways, waterways, railways, etc., which are all the property of the people of Canada.

"The people of the Dominion look to the authorities to establish regulations in regard to the use of public property that will give them the most benefit without hampering their serviceableness. Canada has been delinquent in this duty so far as the use of the ether for broadcasting is concerned.

Stations Are Hampered

"For some years the duly constituted authorities have hampered the licensed broadcasting stations from a proper or full use of available air space by refusing to permit the companies to increase their facilities for the benefit of the listening public, in spite of repeated applications for increased power and improved equipment, and the progressive increase in the number of radio sets in service. The result of this policy is that the public of Canada have been forced to get their programmes from the source where reception was easiest, which has meant more and more programmes from the high powered stations of the United States.

"In spite of this handicap, the owners of radio sets are overwhelmingly in favor of the private operation of broadcasting stations rather than changing to public ownership of this public service. A vote of radio owners would show beyond question that this is the present public opinion. The radio owners who exceed 1,000,000 in number pay annual license fees to the government of Canada and expect to have a voice in any radical change in their service as in case of increased expense due to government operation, which must inevitably follow, the radio owners feel definitely assured they will be called upon to bear the brunt financially.

Dictation Unpopular

"The private companies controlling broadcasting have used every means known to them, and at no profit to themselves, to provide public entertainment acceptable to the radio listeners of Canada, even though severely handicapped by the past regulations governing the power of their broadcasting equipment. To condemn them for inadequacy is unfair and unjust and must be based on a lack of knowledge of the many and varied efforts made to ascertain the public requirements.

"It is exceedingly problematical whether any change in control of programmes or censorship would be acceptable to a majority of listeners and the chances are that this interested public would not be slow in fostering a public sentiment against any responsible authority who attempted to dictate to them at their personal expense and force them to accept what in their opinion were curtailed variety of programmes whether trained musicians considered them superior or not.

"The programmes of probably every country in the world are severely criticized by almost every other country and in Europe many stations have been erected for the main purpose of preventing programmes of neighboring countries dominating their ether. Germany's stations are blocked by France with its station at Strasbourg. English stations drown out Moscow, etc., etc. The race for high and higher powered stations is now in the armament class. To say therefore that Canada should have programmes modelled after British programmes is taking for granted that Canada is different from every other country and has no preference of its own.

Can't Afford It Now

"The economic condition of Canada at the present time is not favorable to new expenditures of public funds for capital account nor for the collection of increased fees for an unwanted service of uncertain popularity.

"The manufacturers of radio sets having a good knowledge of public requirements, the radio users themselves, and the musicians of the country who are at present employed by the score in the present broadcasting stations, are fearful that a change to public ownership under present conditions would work a serious and undeserved hardship to them, and seriously affect their earning power and employment."

South Africa's Men Are Anti-Imperialist

Cape Dominion Sends Delegation to Imperial Conference Which is Not Strong For British Tax

By JOHN A. STEVENSON

HAVENGA

The South African delegation to the Imperial Economic Conference will be headed by the Hon. N. C. Havenga, who is Minister of Finance in the Hertzog government. A native of the Orange Free State in which he was born at Fauresmith, he belongs to the breed of Voortrekkers, who to escape from the irksome regulations of British rule, moved from the settlements of the Cape province across the Orange River in the first half of last century. He was educated at local schools and then at Grey College in Bloemfontein, the chief educational establishment of the Free State. He was still a student when the South African War broke out and he promptly enlisted in the Boer ranks. It was at this time that he began a connection with General Hertzog which was destined to influence his career. Hertzog, who in charge of a Boer commando, made him his secretary. Together they shared the fortunes of the long guerilla warfare which went on after the Boers had been beaten in the field and lost all their important towns; together they roamed all over South Africa, continually chased by British trooops and enduring every kind of hardship. No less than three times was Havenga wounded in action and on the third occasion he became prisoner of war. After the peace of Vereeniging he studied law and settled down to practice in his native town of Fauresmith.

Goes Into Local Politics

There Havenga became a local leader and first entered public life in 1910 as the representative of the district in the provincial council, on whose executive committee he served from 1910 to 1915. He had always shared the Nationalist sentiments of his old chief, General Hertzog, and threw in his lot with the latter when he broke with Botha. Then in 1915 Hertzog induced him to leave provincial politics for the wider field of the Union Parliament and he was easily elected Nationalist member for the Fauresmith division. When the Nationalists were in opposition, Havenga proved one of the most efficient of Hertzog's lieutenants and it was only natural that, when Hertzog came to office in 1924, he should nominate his old and trusted comrade as his Finance Minister.

Shows Several Surpluses

Havenga was then only about 40 but he had an aptitude for finance and soon justified the confidence which his leader had placed in him. Even making allowance for the fact that he had the benefit of very prosperous times during his earlier years of office, it was generally admitted that he was a competent Finance Minister and he was able to show a succession of surpluses. Now, however, with revenues shrunk through the depression and expenditures either mounting or standing still he is struggling with the sort of difficulties which beset every finance minister in the world and is getting his full share of criticism. He is one of the chief defenders of the policy of keeping South Africa on the gold standard, although it does not suit the interests of his farming constituency. In fiscal matters he is a decided protectionist and true to his creed of Nationalism, believes in making South Africa as economically self-sufficient as possible. He is reputed still to cherish bitter memories of the South African War and has always been rated a stern anti-Imperialist; indeed to his anti-British bias South African Imperialists attribute the chief blame for the trade treaty negotiated some years ago with Germany which destroys a good deal of the value of the preferences previously conceded to Britain.

Indifferent to Conference

It was noted that in his latest budget speech Havenga made scant reference to the coming conference and the presumption is that he will be more or less indifferent to its success and will come chiefly to act as a watchdog of South African interests. A tall fair and heavily-built man he is now a very experienced politician and he is a fluent speaker both in English and Dutch. He is not exactly a novice at conferences as he accompanied General Hertzog to London in 1926 and has represented his country at Geneva.

GROBLER

The second-in-command of the South African delegation will be the Hon. Piet G. W. Grobler. A Transvaaler by birth, he was born at Rustenburg in 1873 and in a sense may be said to belong to one of the ruling families of South Africa for his mother was a niece of Oom Paul Kruger. The family means were straitened but he got himself an education and with the aid of a scholarship, spent some years in the establishment known as the Pretoria Gymnasium. Through his granduncle's influence he was given a clerkship in the Education Department of the South African Republic and he subsequently migrated to the Department of Mines and Industries. Having continued his education by studies at night, he developed journalistic ambitions and left the civil service to edit a Dutch paper called "De Pers." Then in 1896 he went travelling in Europe and on his return he was appointed Under-Secretary for External Affairs becoming thereby the chief henchman of the celebrated Dr. Leyds. He was in the thick of the manoeuvres and controversies which preceded the outbreak of the Boer War and, when hostilities began, he took up arms and was present at the seige of Mafeking. But when President Kruger decided to seek refuge in Europe, he made his kinsman come along as his secretary and Grobler renewed his acquaintance with the capitals of Europe, at the same perfecting his knowledge of French.

Experience in Business

After the war ended, he accepted the new situation and took up a farm in the Rustenburg district. Then, when self-government was conceded to the Transvaal and General Botha became Premier, Grobler returned to the public service as chairman of the Transvaal Land Board and a director of the Land Bank. He played a useful part in the work of rebuilding the shattered economic fabric of the Transvaal until he turned to a political career in 1910 and was elected for the Rustenburg division as a supporter of Botha. But he bucked Hertzog in his quarrel with Botha and, joining the Nationalist party when it was founded, became chairman of it in 1914. With him, too, the memories of the South African War have always rankled and, when the Great War broke out, he opposed in Parliament South Africa's participation. Failing to stop it, he joined General Beyers and Delarey in their abortive rebellion against the Botha Government and when he was captured, he was sentenced to two years' imprisonment and a fine of £500 with a temporary loss of the rights of citizenship. In time he regained them and as soon afterwards as possible contested his old seat. He was beaten in 1920 and 1921, but carried it in 1924 and has held it ever since.

Is Also Anti-Imperialist

By reason of his political experience and his services to the Nationalist party he, when it came to power, had a strong claim to a place in the cabinet and Hertzog made him his Minister of Lands a portfolio which he still retains. One of his chief cares has been the thorny problem of the native races because the land question is bound up with it and he is credited with distinctly illiberal views on the subject. But he is not particularly enamored about promoting industrial development and is therefore much less of an economic Nationalist than Havenga. However, he is equally strong an anti-Imperialist, suspicious of any attempt to restore British domination but his genial bonhomie makes him popular with people who disagree with his views. He would be a most suitable delegate to the Assembly of the League of Nations as he speaks well no less than five languages, English, African, Dutch, French and German.

COTTON COMPANY FAILS TO REPORT PROFIT FOR 1931

Mont. Cottons Had Loss on Operations in Last Year

From Our Own Correspondent

MONTREAL.—Operating loss of Montreal Cottons in 1931 was less than that of the previous year, amounting to $246,840 compared with a loss of $329,360 in 1930. After addition of other income the net loss in 1931 was $118,787 against $130,887 in the preceding year.

Preferred and common dividends were maintained throughout the year, and after all charges deficit for the year was $565,310. The sum of $500,000 was transferred from contingency account and a profit and loss balance of $383,725 was brought forward into the current year. For the fourth year in succession no provision was made for depreciation.

Sales for the year amounted to $3,135,169 compared with $3,583,219 in 1930, a decrease of 12½ per cent. The average value per yard shipped during 1931 was 9.74 cents against 18.30 cents in 1930, an indication of low prices prevailing. Production, however, was 2,263,000 yards in excess of that of 1930, though the plant operated to the extent of only 60 per cent of capacity last year.

In his remarks to shareholders at the annual meeting, F. G. Daniels, president of the company, stated that further downward readjustment of inventory values had been necessitated since the price of cotton at the end of 1931 was 3½ per cent per pound lower than at the beginning of the year. Reference was made to the revamping of the bleaching, dyeing and finishing divisions, which will be completed in another four months; plant changes have already shown a reduction in cost, which are expected to extend still further. Mr. Daniels stressed the keen competition which was being felt from Lancashire plants and stated that business at the moment showed little indication of improvement.

Following are comparative figures for profit and loss for the past two years:

	1931 $	1930 $
Mfg. prof.	‡246,840	‡329,360
Oth. inc.	128,053	198,473
Net loss	*118,787	*130,887
Bond int.	24,580	26,625
Bad debts	21,025	22,994
Net inc.	*164,392	*180,506
Pfd. divid.	210,000	210,000
Com. divid.	180,000	180,000
Balance	*554,392	*570,506
To sink fund	10,918	63,972
Balance	*565,310	*634,478
†Transfer	500,000	450,000
Surplus	*65,310	*184,478
Prev. bal.	449,035	663,514
P. & L. bal.	383,725	449,036

‡Loss. *Deficit. †From special contingent account.

Balance sheet reflects the continued losses on operations. Working capital is down from $3,885,185 at the end of 1930 to $1,089,326 at the end of last year. Investments are lower by $1,231,000 at $1,306,621; market value at the end of the year was $1,094,486.

Inventories are down nearly $200,000 at $1,111,611 and property account reflects the installation of new equipment at the plant, totalling $5,951,296, an increase of $910,000.

In liabilities, contingent accounts have been reduced by $500,000 to $969,189, bank loans are slightly lower at $346,331. During the year there were redeemed $11,680 of first mortgage bonds leaving $481,801 outstanding.

WABASSO COTTON MAINTAINS SALES FOR NINE MONTHS

Working Capital is Improved and Bank Loans Reduced

From Our Own Correspondent

MONTREAL. — Operations of Wabasso Cotton Co. continue at a satisfactory level and for the nine months ended March 31, earnings compared favorably with those of the same period a year ago. There now remain but two months for the company to complete its fiscal year which ends June 30; provided there is no drastic change in conditions it is expected that Wabasso will earn all its charges and show a surplus.

Those close to the company state that balance sheet position has been strengthened. Liquid position has been improved, bank loans which totalled $885,000 at the end of the last fiscal year have been substantially reduced and additional bonds have been redeemed. In view of existing conditions which allow only a small profit on sales officials feel some encouragement in the progress made this year.

Raw Cotton Prices Lag

Raw cotton values have shown no tendency to strengthen, a factor which creates a problem for all cotton manufacturers. Another large company in the industry found cotton prices lower at the end of 1931 than at the close of the previous year, although at the end of 1930 it was felt that there was little likelihood of a further depreciation in inventory values.

CAN. AIRWAYS REGISTER LOSS FOR PAST YEAR

Operations Show Relatively Small Decline in 1931

From Our Own Correspondent

MONTREAL.—Reductions of 7.8 per cent in total mileage flown and of 22.3 per cent in total operating revenue, are shown in the report of Canadian Airways Ltd. for 1931.

During the past year mileage flown amounted to 1,646,639, compared to 1,786,608 in 1930. The company carried 459,459 pounds of mail in 1931, compared with 333,913 pounds in 1930. There was also 764,449 pounds of freight and express. In addition, the number of revenue passengers carried on mail lines was 2,371 and the number on other lines was 5,676, making a total of 8,047.

Income Account Deficit

Operating revenue for the year totalled $1,412,797, compared to $1,817,543 in 1930. There was a reduction in operating expenses, the net profit of $183,862 comparing with $353,355 in the preceding year. After providing for depreciation, interest and discount, there was a net loss in 1931 of $263,830, or roughly $170,000 more than in the previous year.

Particulars of the profit and loss account for the past two years follow:

	1931 $	1930 $
Operating revenue	1412,797	1,817,543
Expenses	1,228,934	1,464,188
Oper. profit	182,862	353,355
Deprec.	463,821	418,332
Operating loss	279,958	64,976
†Int. and disc.	16,128	3,728
Net loss	263,830	68,704
Previous loss	68,704	......
Total loss	332,535	68,704

Note:—†Income for 1931 and expense for 1930.

Liquid Position Satisfactory

Assets of Canadian Airways at the end of 1931 amounted to $3,112,227, down from $3,311,668 at the end of 1930. The principal changes noted in the balance sheet include a reduction in cash on hand from $426,790 to $95,027.

A new item in the balance sheet this year is government bonds amounting to $656,412. The net cost of equipment carried on the books has declined from $903,383, to $530,372. There was a further investment in property account, which now stands at $371,470, up from $245,131 at the end of the previous year.

Insurance fund investments of $70,614 are shown among assets.

Goodwill has been increased from $925,668 to $951,803.

Lower Share Values

On the liabilities side of the balance sheet, accounts payable have been reduced from $103,173 to $77,493. Mortgages payable have been cut $15,000 to $85,000. Capital stock, represented by $129,753 shares of no par value, is shown on the books at $2,877,667, as against $3,108,495 a year ago.

Comment on Affairs

At the annual meeting of the company, James Richardson, president, pointed out that Canadian Airways had in service on December 31 last, 46 airplanes and 71 engines. The reserve for depreciation of serviceable items in this group was approximately 65 per cent of the combined total cost, as compared with 45 per cent at the end of 1930.

In discussing the immediate outlook, he said prospects were obscure and uncertain. Activity in the mining field promised well but other divisions were inactive.

Two New Directors

Two additional directors have been elected to the company's board, Morris Wilson, vice-president and managing director of the Royal Bank of Canada, and Senator W. H. Dennis, of Halifax. The other directors are: E. W. Beatty, K.C.; Victor M. Drury, Sir Charles B. Gordon, F. I. Ker, Lieut.-Col. J. H. Price, Howard P. Robinson, Victor N. Spencer, W. J. Blake Wilson, S. G. Blaylock, Gordon C. Edwards, Sir Herbert Holt, C.E.; Beaudry Leman, James A. Richardson, T. A. Russell and Sir Henry W. Thornton, K.B.E.

DOSCO BENEFITS BY NEW BOUNTY ON COKING COAL

Dominion Aid Should Help in Building Wider Market

From Our Own Correspondent

MONTREAL. — Dominion Steel and Coal Corp. and its controlled companies, stand to benefit by a new order-in-council, which provides that the Dominion Government will pay any difference between the cost of the United States and Canadian coal up to $1 per ton, in order to encourage the greater use of Canadian coal in the manufacture of coke or gas.

The order provides that the payment will be made only upon the quantity of Canadian coal used in the manufacture of coke or gas at the plant in excess of the average quantity of such coal used annually in such plants during the three years immediately preceding Dec. 31, 1931. Trial shipments of coal are excluded from this provision.

Provision for Payment

The payments are to apply on coal manufactured into coke used in the smelting of metals or melting of metals; coal upon which any subvention or reduced freight rates provided under the order-in-council of May 30, 1931; coal mined from properties which were brought into operation or commenced shipping coal after Dec. 31, 1931; and coal used in any plant subject to the provisions of Chapter 52 of the Statutes of Canada, 1927.

Officials of Dominion Steel and Coal have been active for some time past in developing a market for coal in the Montreal area. The largest user of coal for coke in that field is the Montreal Coke and Mfg. Co. An official of this company stated lately that they were prepared to place a large order for Nova Scotia coal to be used at the Lasalle coking plant.

To date, Montreal Coke has been using both Nova Scotia and American coal, but the new order-in-council may bring about the use of a greater proportion of Maritime coal.

Implement Imports Drop

Imports of farm implements and machinery in March totalled $494,523, of which $461,244 came from United States. The March, 1931, importation was $791,600.

Advertising Manager

T. H. CORPE

Recently appointed advertising manager of General Motors Products of Canada Ltd.

ACCEPTANCE CORP. BUSINESS VOLUME SHOWS INCREASE

Share Earnings at $1.22 Record Gain Over Previous Year

From Our Own Correspondent

MONTREAL.—An increase in gross volume of business and in gross income is revealed in the financial statement of Industrial Acceptance Corp. for 1931. Expenses and interest on loans, however, were higher and net income showed a reduction of nearly $100,000 at $213,742. After charges, however, net profit applicable to the "A" shares was $73,260 compared with $64,370 in the previous year.

Net profits were equal to $1.22 a share on the "A" compared with $1.07 a share in 1930; during last year, dividends were paid at the rate of $1.20 a share. The improvement in net profit is due to the fact that additional write-offs provided in 1930 were not made in 1931. Details of these are revealed in a comparison of figures for the past two years as follows:

	1931 $	1930 $
Gross income	993,144	920,395
Expenses	529,666	414,382
Int. on loans	249,736	193,590
Net income	213,742	312,423
Debenture int.	58,999	35,000
Ins. premiums	73,683	72,187
Balance	81,060	205,236
Income tax	7,800	6,299
Balance	73,260	198,937
Adjustment	......	84,567
Balance	73,260	114,370
Contingent res.	......	50,000
Net profit	73,260	64,370
Class "A" divid.	72,000	18,000
Surplus	1,260	46,370
Prev. surplus	41,770	86,538
Balance	43,030	132,908
Adjustment	......	91,138
P & L. balance	43,030	41,770

Widened Business Scope

The balance sheet reflects the widened scope of the company's business. Notes receivable are higher by $1,171,000 at $6,457,812 and total assets are up nearly $1,000,000 at $7,115,229. Cash at the end of the year totals $450,459, a decrease of $206,000.

In liabilities, bank loans showed an increase of $480,000 at $3,882,277 and hold-backs were up $511,000 at $828,153. Reserves show a gain of $40,000 at $294,142.

During the year there were redeemed $20,000 of six per cent debentures leaving $980,000 outstanding and surplus was increased by $1,258 to $43,030. Capital stock comprising 60,000 shares of class "A" and 20,000 shares of class "B" stock is carried at $1,000,000.

Remarks to Shareholders

In his remarks to shareholders, Russell D. Bell, president of the company, said in part:

"Paper thirty days or more overdue stood on December 31, at two per cent of the total outstanding, the lowest ratio since the inception of the company, comparing with 4.9 per cent a year previous and 5.7 per cent at December 21, 1929.

"Out of the year's income and before computation of profits, there was written off provision for all paper which had developed during the year as bad or doubtful. At the same time the reserve for credit contingencies and deferred income were increased in amount as well as in percentage to outstanding receivables, and these reserves are now at the highest level in both respects so far recorded."

NATIONAL BREW. INCREASES PRICE OF BEER QUARTS

New Retailers' Price May Tend to Restrict Sale by Bottle

From Our Own Correspondent

MONTREAL.—Retailers of beer in Quebec have announced an increase in prices which may possibly find reflection in sales of National Breweries. The brewing company, to cover additional taxation, has increased its prices to retailers by 5 cents a dozen quarts but the retailers have increased their prices by 20 cents a dozen.

The changed price is only effective on quart bottles of beer; pints and draught remain the same. The opinion has been expressed that the higher price demanded by the retailer may result in a greater demand for draught ale with a decrease in sales of quart bottles on which the margin of profit to the brewer is more substantial.

Actually, there has been no increased tax on beer itself. When the Quebec government was seeking sources of additional revenue at the beginning of the year a boost in beer taxes was considered, but after discussion the proposal was shelved in favor of other methods of taxation.

It is thought that the new prices announced by the retailers was unexpected as far as National Breweries was concerned. Its own increase of 5 cents a dozen was considered moderate and the additional 15 cents of the retailer was hardly looked for. Bottled beer, in Quebec, has a wide sale by licensed grocers and it is understood that they are seeking additional revenue to offset the decline in other divisions of their business.

AGNEW-SURPASS SALES AFFECTED BY LOWER VALUES

Dollar Volume Declines But Production Increases

From Our Own Correspondent

MONTREAL.—Sales of Agnew-Surpass Shoe Stores in the nine months ended Feb. 28, 1932, totalled $1,748,044 compared with $2,118,115 in the same period in the previous year, representing a decrease of $370,071. Profits for the year ended May 31, 1932, will reflect this drop while it is possible that they will also be affected by shrinkage in inventory values.

Spring business, it is stated, has been disappointing owing to the cool weather. The late spring experienced throughout the country has tended to retard retail buying, so little improvement in the last quarter of the company's year can be looked for.

It is understood, however, that working capital which totalled $974,901 at the end of the last fiscal year, has been well maintained and that though profits have been considerably reduced the company will show a reasonably satisfactory statement in view of general conditions.

Whether earnings will cover preferred dividends has not been disclosed. In the year ended May 31, 1931, Agnew-Surpass earned its preferred dividend needs slightly more than twice over and there remained a surplus equal to 97 cents a share on the common stock. No payment has been made on the latter since the company's inception.

Inventories, according to the last balance sheet, totalled $839,053, a reduction of nearly $100,000 from the previous year. It is in this account that a sharp reduction is anticipated in the forthcoming report.

As regards manufacturing activity a more encouraging situation exists. Each year, it is understood, the company has increased its output and Agnew-Surpass now produces approximately 18 per cent of the total boot and shoe output of Canada, whereas when the present company was formed the percentage was in the neighborhood of 10 per cent. At the present, actual output is the highest in the company's history; but this has been offset by the sharp drop in dollar value.

Dominion Distillers Assets Are Now All Sold

From Our Own Correspondent

MONTREAL.—Neither the creditors or shareholders of Dominion Distillers Cons. stand to receive anything from the sale of the company's assets.

The principal assets of the company consisted of buildings and lands, alcohol and machinery. The east end property was sold by the sheriff for $40,000 while the west end building was transferred to the mortgagee. The stocks of alcohol were taken over by the banks, to reimburse them for loans made under Section 88 of the Bank Act. The machinery was sold for $14,500 of which $7,200 went to settle a dispute with the owner of the building which housed the machinery, the landlord claiming that the machinery was a part of the property.

This company was formed in 1927, operating through subsidiaries two distilleries in Montreal and a maturing warehouse at Sorel, Quebec. The company went into voluntary bankruptcy in 1930 and has been in the hands of the receivers since then.

Montreal Stock Exchange Change List of Minimums

From Our Own Correspondent

MONTREAL.—The Montreal Stock Exchange announces removal of the minimum prices from Dominion Bridge, National Breweries preferred, and Windsor Hotel.

At the same time, a new and lower schedule of minimums have been applied to the Canadian bank stocks, as follows: Banque Canadienne Nationale, 145; Bank of Commerce, 171; Dominion Bank, 174; Imperial Bank, 173; Bank of Montreal, 195; Bank of Nova Scotia, 254; Royal Bank, 191; Bank of Toronto, 178. In the case of the Bank of Montreal and the Royal Bank of Canada, the reductions amount to 10 points and for the remaining members of the group, five points.

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UNITED SECURITIES REVENUE FOR 1931 SETS NEW RECORD

Net for Capital Stock Somewhat Lower Than 1930-31

From Our Own Correspondent

MONTREAL.—Gross income of United Securities Ltd., which controls Canadian Light and Power and Montreal Tramways Co., reached a record level in the fiscal year ended March 31, 1932, but net income available for distribution on the capital stock was somewhat lower than that reported in the preceding year.

The company reports a total income for 1931-32 of $516,528, compared to $512,327 in the preceding year. After deducting bond interest and expenses there remained a balance of $194,272, which was equivalent to $3.78 a share on the common stock. For 1930-31 net income amounted to $216,032, or $4.21 a share on the common. The increase in expenses for the past year was due to the premium paid for United States exchange.

Larger Gross Income

Particulars of the profit and loss income account follow:

	1931-32 $	1930-31 $	1929-30 $
Int. earn.	516,528	512,347	457,217
Deduct: Exp.	49,645	18,569	23,381
Bond int.	273,965	277,745	281,281
Loan int.	......	......	127
Balance	192,888	216,032	152,528
Assets sold	‡1,384	......	20,956
Totals	194,272	216,032	173,384
Bond disc.	......	15	......
Balance	194,272	216,017	173,384
Inc. tax	......	......	6,608
Balance	194,272	216,017	166,776
Com. divid.	102,522	102,522	......
Surplus	91,750	113,395	166,776
Prev. surplus	115,217	1,721	41,090
Totals	206,968	115,216	207,866
Add: Bond disc.	......	......	399
Oth. surp.	......	......	*174,563
Balance	206,968	115,216	382,826
Writ.-off	......	......	†381,104
P. & L. Bal.	206,968	115,216	1,722

*From realization of Q.N.E.H.E. Corporation sale.

†Amount written-off book value of investments.

‡Profit from sale of securities.

Security Values Lower

The balance sheet shows slight contraction in assets from $10,496,069 at the end of the fiscal year 1931, to $10,455,293 at the end of the past year. Investments are carried on the books at $10,255,406, up from $10,160,481 a year ago. The market value of these securities on March 31, 1932, was approximately $6,841,540.

The only other change of importance among assets is a reduction in call loans from $180,000 to $50,000.

There has been no change in the outstanding capital stock of the company, but the funded debt has been reduced from $5,034,000 to $4,965,000.

CANADIAN PACIFIC RETURNS REFLECT LOWER EXPENSES

Decline in Gross Receipts Largely Offset by Economies

From Our Own Correspondent

MONTREAL.—Adherence to a policy of rigid economy is reflected in the earnings statement of the Canadian Pacific Railway for March last. During that month gross earnings totalled $10,272,786, a decline of $2,039,876 in comparison with the same month of last year. Operating expenses were reduced by $1,784,618 to $9,102,284. This left net earnings for the month at $1,170,502, a decrease of $165,258 when compared with $1,335,760 for the same month for 1931.

For the first quarter this year, gross earnings amounted to $22,520,036. This compares with $35,028,091 for the first three months of 1931, a decrease of $6,508,055.

Cut in Expenses

Expenses for the three months showed a decline of $6,606,224, expenses for the January-March period of 1932 being $26,502,620 as against $32,562,844 last year.

Net earnings for the initial quarter of 1932 aggregated $2,017,415, a decline of $447,831 from the $2,465,246 reported for the same period of 1931.

Preliminary returns for April have not shown any marked improvement in gross earnings. The opening of navigation, however, is expected to have an influence upon income and the monthly statement for April may compare somewhat more favorably with the same month last year.

Montreal Power Income Tax

MONTREAL.—The Federal income tax payment made by Montreal Light, Heat and Power Co. for the past year amounted to $808,360.

Montreal Coke To Buy N. S. Coal

From Our Own Correspondent

MONTREAL. — Montreal Coke and Mfg. Co. has advised the Nova Scotia Government that it is prepared to enter into contract for 150,000 net tons of washed process coal for 1932 inasmuch as the terms of the order-in-council encouraging the use of Canadian coal for coking were satisfactory to the company.

It will be recalled that the Nova Scotia Government obtained from Ottawa, assistance through the tariff and subventions that called for contribution by the Dominion of something over $3,000,000 annually toward the benefit of the coal trade.

C. N. R. INCOME STILL BEHIND LEVEL OF 1931

Seasonal Upturn in March But Cumulative Net is Lower

From Our Own Correspondent

MONTREAL.—Canadian National Railways report that reductions in operating expenses were nearly sufficient to offset the heavy decrease in traffic during March.

Gross revenues of the system totalled $12,248,624, a decrease of $2,781,428 from the revenues of March, 1931. At the same time, operating expenses were reduced $2,559,093 to $11,690,019, showing a net revenue for last month of $558,604. This represents a decrease of $222,334 from the net of March last year.

Show Seasonal Gain

Net revenue for March, 1932, shows an improvement of more than $1,000,000 as compared with that of the preceding month. Gross revenues in March increased by $1,244,227 over those of February, 1932; operating expenses increased by $96,194 and the net revenue of March of $558,604 compared with the net revenue deficit in February was $589,428, an improvement of $1,148,032.

For the first quarter of the current year, gross earnings of the system were $34,201,350, a decrease of $7,999,640 as against those of the first quarter of last year.

Operating expenses for the period were $34,820,296, a decrease of $7,282,231.

There was a net revenue deficit for the first quarter of 1932 at $618,946 against net revenue in the corresponding period of 1931 of $98,461

International Hydro System Profits Down

From Our Own Correspondent

MONTREAL.—Preliminary figures of International Hydro-Electric System show earnings of $3.21 a share on the Class "A" stock, as against $4.30 in the preceding year. In the first quarter of 1932, the system earned $1.09 a share, compared to 73 cents in the corresponding period of last year.

At the annual meeting of the company, the president, Archibald Graustein said that he "had every reason to believe" that the system would continue to pay the regular quarterly dividend on its Class "A" stock for the present at least.

He warned against over-optimism on the basis of the first quarter report of the system and its two subsidiaries, New England Power Association and Canadian Hydro-Electric Corp. Improvement in the New England Power territory, he said, was caused by better water conditions this year than in 1931, when the flow of the Connecticut and Deerfield Rivers was only 49 per cent of normal.

There was no assurance, he added, that New England Power would continue to maintain the rate of improvement shown in the first quarter.

Railway Earnings

Canadian Pacific Railway

	1932 $	1931 $	Decrease $
March:			
Gross	10,272,786	12,312,663	2,039,876
Exp.	9,102,284	10,976,903	1,874,618
Net	1,170,502	1,335,760	165,258
3 Months:			
Gross	28,520,036	35,028,091	6,508,055
Exp.	26,502,620	32,562,844	6,060,224
Net	2,017,415	2,465,246	447,831

EAST KOOTENAY POWER DEFERS STOCK DIVIDEND

Directors Decide to Pass Quarterly Payment on Preferred

From Our Own Correspondent

MONTREAL. — East Kootenay Power Co., controlled by Power Corp. of Canada, has deferred the current quarterly dividend on its 7 per cent cumulative preferred stock.

In making this announcement, it is officially stated that the company's customers in the Crow's Nest Pass have found it necessary to curtail operations, which in turn has resulted in the decrease in earnings from power sales. No mention is made of the extent of the falling off in revenue, but it is stated that the annual report for the year ended March 31 will be available shortly at which time the position of the company will be fully outlined.

Earning Power Limited

Though the gross earnings of East Kootenay Power Co. have steadily increased over the past several years, the financial position of the company has tended to weaken. No depreciation charges have been provided since 1928, but nevertheless the management have paid dividends regularly on the preferred stock.

The balance sheet shows a weak working capital position, largely due to the fact that plant expansion was carried out but due to a variety of circumstances this capital expenditures was not funded. In 1927 the company showed an excess of current liabilities over current assets of $470,726. This deficit has steadily increased and in the report for the year ended March 31, 1931, the working capital deficit totalled $1,891,772.

The principal item among current liabilities is bills payable, which were last reported at $1,862,826. It is understood that this largely represents advances made to the company by the parent organization on account of the building of the Sentinel steam plant.

Montreal Power Area Attracts 63 New Plants

MONTREAL.—Over 60 new industries were established in the territory of Montreal Light, Heat and Power Co. between April, 1930, and April, 1932. The power load required by these companies amounts to 13,418 h.p. and employment is provided for over 2,000 workers.

In the following list, prepared by the company, it will be seen that the majority of these new industries are branch plants of American manufacturers. The field has attracted industries from other countries, England, France, Germany and Scotland being represented, as well as a few from other provinces.

The wide diversity of industry represented by these new plants is shown in the last column. Production of products ranges all the way from silks to concrete pipe.

Name:	Number of Employees	H.P. Load	Originating From	Nature of Business
Allied Arts Regd.	10	5	U.S.A.	Silk Manufacturers
Alterer Bros	10	...	Granby	Washing Machines
Autograph Tooth Brush	25	15	U.S.A.	Tooth Brushes
Bonna Pipe Company	50	100	France	Concrete Pipes
Bon-Ami Mfg. Company	25	100	U.S.A.	Soap Manufacturers
Bovill & Hood Canada Ltd.	20	10	England	Clenso Mfg.
Mitumuls Co. Limited	50	100	Ontario	Road Surfacing Com.
British American Oil Co.	150	800	U.S.A.	Oils
Burroughs Wellsome Co.	75	400	England	Drugs
Canada Wire & Cable Co.	100	3,300	Ontario	Wire
Canadian Hatters Supply Co.	15	10	U.S.A.	Findings for Hats
Canadian Copper Refiners	300	4,000	....	Copper
Canadian J. Woods Mfg. Co.	25	30	Toronto	Gas Tanks
Campello Shank Company	15	50	U.S.A.	Shoe Findings
Howard H. Clapp Co. Ltd.	...	...	Rochester	Baby Foods
Coco-Cola Company	100	400	....	Beverages
Dresden Novelty Co.	10	5	Germany	Electrical Goods
Dominion Blade Mfg. Co.	50	50	U.S.A.	Razor Blade Mfg.
Dominion Wood Pipe Co.	30	75	U.S.A.	Wood Pipes
Dyment Limited	10	10	Ontario	Window Advertising
O. M. Edwards Company	10	5	U.S.A.	Lock Mfg., Etc.
Exide Battery Company	20	25	U.S.A.	Storage Battery
Ex-Lax Limited	10	25	U.S.A.	Chemicals
Fleischmann Company	100	1,800	U.S.A.	Yeast
Flintkote Roads	30	80	U.S.A.	Road Paving
Morris Gold (Acton Vale)	30	25	Quebec	Silk Weaving
Johnston S. T. Oil Burner	10	10	U.S.A.	Oil Burners
Kimball & Company	10	8	U.S.A.	Pin Tickets
Lincoln Mfg. Co. Ltd.	32	5	Detroit	Lighting Fixtures
Liquid Carbonic Co.	20	38	U.S.A.	Chemicals
Moisel, George J.	15	5	U.S.A.	White Metal Specialties
Minute Tapioca Company	30	15	U.S.A.	Tapioca Mfrs.
McBee Binder Company	10	15	U.S.A.	Bookbinding
McKesson & Robbins Co.	100	300	U.S.A.	Chemicals (start. Apl. 23)
Nulomoline Limited	...	...	U.S.A.	Syrups
Perkins Tissue Mills	25	50	U.S.A.	Tissue Products
Polygraphic Regd.	10	10	U.S.A.	Printing Specialties
Prolac Limited	50	300	U.S.A.	Prolac Mfrs.
Richlite Mfg. Co.	25	10	U.S.A.	Electric Lamps
Ritchie Cut Stone Co.	50	300	Toronto	Stone Cutting
Rockbestos Products	30	100	U.S.A.	Asbestos Bound Wire
Scuton Company	20	50	U.S.A.	Waterproof Paper
Selby Shoe Company	100	100	U.S.A.	Shoe Findings
Service Station Equipment	10	30	Toronto	Equipment
Sterling Lace Company	20	8	Toronto	Laces
Standard Sample Card	10	10	U.S.A.	Sample Cards
Silent Glow Oil Burner	10	12	U.S.A.	Oil Burners
Sorrento Macaroni	50	75	Italy	Macaroni
A. G. Snowden	20	...	Scotland	Sauces, Etc.
Swiss Chocolate	25	150	U.S.A.	Chocolates
Truscan Steel	75	150	Ontario	Steel
White Motor Company	15	100	U.S.A.	Trucks and Buses
S. H. Wood	10	5	Ontario	Soaps, Chemicals, Etc.
Victor Hack Saw Mfg. Co.	30	75	U.S.A.	Hack Saws
Rokeach & Sons, Inc.	15	20	U.S.A.	Vegetable Oils
Royal Typewriter Co.	5	10	U.S.A.	Typewriters
Caramel Crispie Co. of Can.	25	...	U.S.A.	Peanuts, Etc.
Concrete Steel Products	20	17	Ontario	Presses, Etc.
Lighting Appliance Co. of C.	10	20	U.S.A.	Electric Fixtures
Menley & James of Can. Ltd.	...	...	England	Proprietary Medicines
Crystal Chemical Co. Inc.	...	...	U.S.A.	Toilet Preparations
Expollo Corporation	...	...	U.S.A.	Moth Extinguishers
Vicks Chemical Corporation	63	...	U.S.A.	Chemicals
(To date April 29, 1932)	2,157	13,418		

Canadian Pulp and Paper Industry

DONNACONA PAPER ENTER AGREEMENT TO MARKET BOARD

Alexander Murray Co. to Handle Sales in Canada

From Our Own Correspondent

MONTREAL.—Donnacona Paper Co. has entered into an agreement with Alexander Murray and Co., whereby the latter will take over the marketing of Donnacona Insulating Board products in Canada.

It will be recalled that some time ago an agreement was entered into between Donnacona and Gypsum, Lime and Alabastine, under which the latter would market some of Donnacona's wallboard under its own trade name. It is understood that as a result of the new move, Donnacona's agreement with Gypsum will likely come to an end shortly.

Donnacona built its board mill in 1930. Upon its completion Price Bros. Sales Corp. undertook the marketing of the output. Under the new agreement with Alexander Murray, Donnacona will now concentrate on manufacturing, leaving all merchandising, distributing, etc., to the new agent.

Alexander Murray and Co. are one of the group of companies controlled by Dominion Tar and Chemical Co. It manufactures and distributes a diversified line of building materials through branch offices and warehouses located in the more important Canadian cities.

Prior to the tariff increase of a year ago, the Alexander Murray Co. had built up a market for Celotex in Canada and they are familiar with the marketing of insulating board, acoustical tile and allied products. Early in March, the company took over the merchandising of eel grass, manufactured by Gilfords Ltd., of Halifax, and it is understood that they now contemplate distributing other types of insulating materials in addition to Donnacona board and eel grass.

Plan Soya Bean Plant

Plans for the establishment of a soya bean industry in the district of Chatham with a crushing mill at that centre are under consideration and details of a proposed co-operative scheme were outlined the other day at a meeting of district farmers.

Newsprint Stocks Lower at Present

From Our Own Correspondent

MONTREAL.—The stocks of newsprint on hand in Canadian and American mills at present are smaller than a year ago, according to returns compiled by the Newsprint Service Bureau.

It will be recalled that at the beginning of April, inventories were the largest ever reported for any one month. This was due, in some part, to accumulation of stock pending the opening of navigation, since there is an increased proportion of the Canadian output which goes to market by water.

During the past two weeks there has been a very substantial reduction in mill stocks of newsprint paper because of heavy water shipments.

I. P.'s Income At Low Point For Past Year

From Our Own Correspondent

MONTREAL.—Expectations are now that earnings of International Paper and Power Co. for 1931 available for dividends, after interest and depreciation, will amount to about $500,000; in other words, a shrinkage of around $3,500,000 in comparison with the returns for 1930.

The reduction in net income, according to Archibald Graustein, president, was due in large part to the heavy year end adjustments, which were mainly the result of adverse business conditions. Except for these year end adjustments the earnings would have been fairly close to 1930, notwithstanding that during 1931 the company had to absorb about $8,000,000 of price cuts in its industrial products, namely paper and pulp. These price cuts, the president said, were largely offset by increased efficiency and to a large extent also by lower cost at the mills due to general decline in commodity values.

The financial statement for 1931 has been delayed and Mr. Graustein says that this is due to the problem created by depreciation of exchanges, especially British and Canadian. Another reason, he said, was because the segregation of water power had not yet been entirely completed.

Port Alfred Pulpwood Pile Damaged by Fire

From Our Own Correspondent

MONTREAL.—Opening of the Port Alfred Paper Mills by Consolidated Paper Corp., scheduled for this week, will likely be delayed, owing to the fact that the pulpwood pile has caught on fire. It is estimated that there are some 250,000 cords of pulpwood on hand, having a value of $3,000,000. The fire had been burning for four days on Monday last, and it will be some time before it will be possible to make an estimate of the loss.

Jamaica Public Service Revenue Lower in March

MONTREAL.—Jamaica Public Service consolidated income account for March shows gross revenue of $68,574 as against $71,416 for the same month a year ago. After taking care of operating expenses, net revenue totalled $26,535 as against $27,053 for March, 1931.

For the twelve months ended March, 1932, gross income totalled $814,050; net operating revenue $326,748 and surplus after charges, $218,091. In the preceding year, gross revenue was $847,537; net operating revenue $354,855 and surplus after charges $248,927.

ST. LAWRENCE PAPER OUTPUT LOWER TO DATE

Sales in First Quarter of This Year Behind 1931 Mark

From Our Own Correspondent

MONTREAL.—Newsprint production of the St. Lawrence Corp., during the first three months of the current year was below the average for 1931, according to a statement made by Ernest Rossiter, president, at the annual general meeting of the shareholders.

Kraft production at the Brompton mills reached an improved volume during April, Mr. Rossiter commented, while kraft prices have held relatively well, they are below the level of last year.

May be Seasonal

Speaking on current conditions, he said, that some improvement had been noticed in the newsprint industry in April but it was too early yet to determine whether the April pickup was the beginning of the end of the slump in the industry, or was just a seasonal expansion.

St. Lawrence Corp., he further stated, is not giving up tonnage under the Newsprint Institute's agreement since the first of the year. Pending the settlement of the Price Bros. lawsuit, nothing has been done with regard to the tonnage allottment, the only tonnage being given up was that within the group.

Changes in Directorate

A few changes were effected in the board of the St. Lawrence Corp. group, which includes Lake St. John Power and Paper Co., Brompton Pulp and Paper Co. and the St. Lawrence Paper Mills. Arthur Campbell was elected to the board of the St. Lawrence Paper Mills following a vacancy on that directorate. H. A. Clarke, Toronto, a former director of St. Lawrence Corp., did not desire his re-election and this vacancy was filled by the election of Wynne Robinson, Montreal manager of the National Trust Co.

Other members of the parent company and subsidiary directorates were re-elected.

Halifax Seeks Change Electric Energy Rates

From Our Own Correspondent

MONTREAL.—Nova Scotia Board of Commissioners of Public Utilities has commenced hearing on the application of the City of Halifax for an order on the rates and charges of the Nova Scotia Light and Power Co. for electric light and power so that the returns on the fair value of the company's power property assets will not exceed 8 per cent annually.

It will be recalled that a short time ago Nova Scotia Light and Power Co. made application to absorb its various subsidiaries, including Avon River Power Co. This move was opposed by the City of Halifax and the present application is an outcome of that case.

Public Utility Earnings

Canada Northern Power

	1932 $	1931 $	Increase $
March:			
Gross earn.	282,293	281,565	728
Expenses	86,655	88,431	*1,776
Net earn.	195,638	193,134	2,504
3 Months:			
Gross earn.	862,222	836,003	26,219
Expenses	267,815	258,407	9,408
Net earn.	594,407	577,596	16,811

* Decrease.

Barcelona Traction

	1932	1931	Increase
March:	Pesetas	Pesetas	Pesetas
Gross earn.	9,675,587	9,266,449	409,138
Oper. exp.	3,194,815	3,224,945	*30,130
Net earn.	6,480,772	6,041,504	439,268
Aggre. gross from Jan. 1	30,077,022	29,492,950	584,072
Aggre. net from Jan. 1	20,502,814	19,607,750	895,054

*Decrease.

Seek to Amend Act on Nova Scotia Utilities

From Our Own Correspondent

MONTREAL.—A bill amending the Public Utilities Act establishing the rights of the Board of Public Utilities to set up a regional rate base, was introduced during the closing days of the last session of the Nova Scotia Legislature. It is understood that there was not sufficient time to have the bill come up for consideration and it will likely be re-introduced at the next session.

The proposed legislation would enable the Board to regulate the rates and rate base of any public utility, whether merged or not, in such a way that each would have to stand on its own feet.

The importance of this measure is said to lie in the fact that it will permit re-opening in negotiations in connection with the merger of Nova Scotia Light and Power Co., the Avon River Power Co., and various other subsidiaries.

Can. Industrial Alcohol Limit Size of Board

From Our Own Correspondent

MONTREAL.—Shareholders of Canadian Industrial Alcohol Co. will gather at a special general meeting on May 16 next to consider and, if agreeable, pass on a by-law reducing the number of directors from 15 to 8.

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News of Investment Markets

DETROIT TUNNEL NOW IN DEFAULT RECEIVER ACTS

Protective Committee is Formed for First Mortgage Bonds

Detroit & Canada Tunnel Co. was placed in voluntary receivership on May 2 following the passing of first mortgage bond interest due May 1 and George R. Cook, president of the company, was appointed receiver. A protective committee has been formed to represent holders of the 6 per cent first mortgage bonds of which $8,500,000 is outstanding. The committee consists of M. H. Maclean, chairman; Archibald Cattell, Henry A. Gardner, Fred T. Murphy and George Ramsey. L. V. Bower, 115 West Monroe St. Chicago, is secretary and Harris Trust & Savings Bank is depositary.

In a letter to bondholders the committee states that the tunnel, completed in November, 1930, represents a cash investment of over twice the amount of first mortgage bonds outstanding and in the opinion of the committee the project was well conceived and provides a valuable service but that it was completed in a time of grave depression and business inactivity which is particularly acute in Detroit and the Border Cities. No forecast is made as to future earnings which are now sufficient to meet operating expenses and taxes with small margin to spare for interest. It is held that holders of the first mortgage bonds have a lien on valuable property and would do well to cooperate with the committee for the protection of their rights.

Covers Operating Costs

The earnings statement of the company for 1931, the first full year of operation shows gross earnings of $901,989 and net earnings of $127,996 after deduction of operating expenses of $773,992 but before depreciation and amortization. Interest on the first mortgage bonds amounts to $510,000; on the 6½ per cent debentures $551,915 and other interest is $22,322. Amortization of debt discount and expense adds another $114,199 and provision for depreciation and amortization of properties totals $468,239 bringing total loss for the year to $1,538,679 to which is added $233,459 representing excess of interest charges over net earnings in the initial two months period of operation in 1930.

At December 31, 1931, the company had current assets of $305,746 and current liabilities of $1,045,518. Of current assets, $246,215 is in special deposits. Plant, property and franchises are valued at $22,259,016 and unamortized debt discount and expense is $1,491,610. Funded debt of the company totals $16,991,000 and the 2,251,125 no par value common shares outstanding are carried at $7,316,156. Deficit is $1,772,138.

Quinte & Trent Power Would Defer Interest

Holders of the 6 per cent first mortgage series A bonds of Quinte & Trent Valley Power Co. will meet in Toronto on May 28, 1932, to consider waiving payment of interest on the bonds which would be deferred for a period of two years from July 1, 1932, to July 1, 1934. Interest accrued for the period and for the preceding 18 months would become payable July 1, 1934, while the company has the option of paying interest in whole or in part before that date.

Bondholders will also be asked to waive sinking fund payments due during 1932 and 1933.

Quebec City Bond Issue Needs Approval of Minister

From Our Own Correspondent

MONTREAL.—Municipal financing in Quebec, and other provinces for that matter, is not altogether a simple affair. Only last week the City of Quebec disposed of its $3,008,000 bond issue to the Banque Canadienne Nationale, which in turn formed a syndicate and sold it to the public. Now it develops that the City Council overlooked the necessity of having the issue approved by the Ministry of Municipal Affairs and the bond issue in consequence is illegal.

Though there have been reports from Quebec City saying that some difficulty is being encountered in having the bond issue approved, it is learned from reliable quarters that oral approval was received and that an official approval will be forthcoming in due time.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Brazeau Collieries	*7%	15-yr.	July 1	...
Imperial Realty ..	*6%	1945	July 1	103
Mont. Louis Seigniory	*6%	1944	June 1	100
Wabasso Cotton ..	§6%	1947	June 1	105

*Called in part.

§$10,000.

Bond Sales

Halifax, N.S.

H. R. Bain & Co. and Nova Scotia Bond Co. have been awarded $300,000 6 per cent 5 year debenture of Halifax, N.S., at 98.82, a cost basis of approximately 6.2785 per cent. The debentures are due January 2, 1937, and are non-callable, and were issued for general improvement purposes. J. L. Graham & Co., C. H. Burgess & Co., and Gairdner & Co. bid 98.5 for seven year bonds and Gairdner & Co. bid 99 for 15 year bonds. The bonds are being offered locally at 100.

April Financing Total Reflects Poor Markets

Canadian Offerings Include Two Provincial Issues and Two Major Civic Borrowings — Dealers Start to Take on Definite Commitments for First Time

Financing by Canadian provinces and municipalities reached a low ebb during April following the substantial volume of financing accomplished in the previous months, but the April total was not considerably under the corresponding total in April, 1929 or 1930. Prince Edward Island and New Brunswick sold bonds which represent the first provincial issues on which dealers have taken definite commitment of any size this year. Previous issues were sold by consignment by large co-operative selling groups.

A number of the smaller cities sold bonds direct or through dealers and such issues accounted for most of the April volume although the amount is but a small fraction of municipal requirements which must be met during the forthcoming months unless the banks are to carry an increasing volume of municipal loans.

The larger bond sales during April include £350,000 of New Brunswick 30-year debentures payable in London only; $1,000,000 Prince Edward Island 6's due 1947; $3,008,000 of City of Quebec 6 per cent debentures due 1939, and $2,560,328 of Hamilton 6's. With the exception of the New Brunswick debentures major issues sold retail at or around a 6 per cent yield basis.

April financing for 1932 and the three previous years has been compiled by Wood, Gundy & Co. is shown below and is followed by the total for the four months ended April 30, in the same years.

COMPARATIVE STATEMENT OF GOVERNMENT AND MUNICIPAL FINANCING IN APRIL

	1929	1930	1931	1932
Dominion and Dom. Gtd.	....	....	....	....
Provincial and Prov. Gtd.	$10,056,000	$ 7,634,700	$26,218,205	$ 2,753,333
Ontario Municipal	884,813	2,475,638	12,333,404	3,034,828
Quebec and Marit. Municipal	....	3,958,300	7,638,000	5,145,500
Western Municipal	1,185,358	216,000	8,226,633	469,000
Total	$12,126,171	$14,284,638	$54,416,242	$11,402,661

FINANCING IN FOUR MONTHS ENDED APRIL 30

To April 30 in:	1929	1930	1931	1932
Dom. Govt. Direct & Gtd.	....	$28,100,000	$70,000,000	....
Prov. Direct & Gtd.	$17,213,000	33,941,000	78,319,205	$47,885,333
Ontario Municipal	4,572,217	19,039,701	27,436,544	19,985,955
Que. & Mar. Municipal	2,540,900	5,394,600	23,839,000	26,015,500
Western Municipal	6,753,294	16,542,311	10,707,074	2,549,066
	$31,079,411	$103,017,612	$210,301,823	$96,435,854
Sold in Canada	$17,879,411	$58,405,512	$124,187,823	$93,232,524
Sold in U. S. A.	13,200,000	42,562,100	84,114,000	1,500,000
Sold in England	....	2,050,000	2,000,000	1,703,330
Total to April 30, 1932	$31,079,411	$103,017,612	$210,301,823	$96,435,854

FIRM BIDDING POINTS TO END OF CO-OPERATION

Provinces and Municipalities Have Sold Issues Direct

Developments of the past ten days give every indication that the era of co-operative marketing of provincial and municipal bond issues which has prevailed since January is rapidly passing and that the stronger municipalities at least may be able to get firm bids from investment houses. It seems probable, however, that co-operative effort will be necessary for the placing of large provincial and federal issues unless there is a very material return of confidence in the stability of economic conditions in general and the bond market in particular.

In the past two weeks Hamilton, Prince Edward Island, New Brunswick, Ottawa and Halifax have sold bonds to investment houses who have taken on a definite commitment. In the case of Hamilton bids were made by two syndicates at practically the same price but one was bid on an option basis, the other for a definite commitment of over $1,000,000. The latter syndicate was awarded the bonds.

Borrowers naturally prefer to sell bonds to dealers rather than permit the dealers to sell the bonds on a consignment or option basis and if one investment house or group of investment houses is willing to take a definite stand on the market by making a cash offer other dealers must, to some extent, follow suit.

Feel Need Not Passed

Many investment bankers feel that the co-operative plan of marketing might well be continued since there is no definite assurance of stability of conditions underlying the bond market and so long as important events both in Europe and the United States might easily cause sufficient fluctuation in prices to wipe out all profit in any underwriting and bring substantial loss as well.

The present condition of the Canadian bond market exhibits no definite trend and the improvement in prices during the latter half of April appears to have been halted by continued deflation of stock prices which bring in their wake a lessened confidence on the part of investors.

The much delayed Manitoba bond issue was offered publicly on May 4, the $5,000,000 6's due 1947 being sold at 95.25 to yield 6½ per cent to maturity. The next important offering is expected to be some $3,000,000 of Ottawa 5½'s which have already been sold to a syndicate and which may be expected to come on the market as soon as the Manitoba issue is fairly well placed, probably early in the week of May 11. Ottawa seldom comes into the market and the city's bonds are well regarded so that the expectation is that the bonds will sell quickly at a price to yield less than has been customary on provincial or municipal issues in recent months.

M. LOEW'S THEATRES IMPROVED POSITION

Earned $17.25 on Preferred Shares—Working Capital Higher

Net earnings of Marcus Loew's Theatres Ltd. in 1931 increased to $182,144 from $115,947 shown in 1930 due chiefly to increased revenues from Loew's Theatre while net profit after all charges was up to $112,831 from $52,298. This resulted in per share earnings on the 6,539 shares of $100 par preferred outstanding being increased to $17.25 from $8 in 1930. Preferred dividends of 3½ per cent were paid amounting to $22,886 and surplus was increased by $86,540.

Comparative statement of income and surplus account shown below indicates decrease in operating expenses and bond interest requirements. Tax provision was substantially increased.

INCOME AND SURPLUS ACCOUNT
Years Ended

	Jan. 2, 1932 $	Jan. 1, 1931 $
Gross earnings	197,844	122,408
Add: Other income	51,055	71,000
Less: Oper. exp.	66,755	77,461
Net earnings	182,144	115,947
Less: Deprec.	36,663	39,453
Bond interest	8,815	11,395
Bond discount	1,529	1,911
Movie Tone instal. w/o	6,296	6,296
Tax reserve	14,856	4,594
Mtge. interest	1,154	......
Net profits	112,831	52,298
Less appropriations:		
Pref. divids.	22,886	22,887
Surplus for year	89,945	29,411
Add: Prev. surp.	396,469	368,845
Less: addit. taxes	3,405	......
Fire exp., 1928	......	1,787
Balance forward	483,009	396,469

Working capital position was substantially improved with cash up to $25,592 from $16,334 and accounts receivable at $12,152. Current liabilities consist almost entirely of income tax reserve of $21,500. The working capital position of the company at the end of 1931 compares with 1930 and 1929 as follows:

Working Capital

	1932 $	1931 $	1930 $
Current assets	37,744	16,334	42,321
Current liabs.	22,173	44,583	97,765
Working capital	15,571	*28,249	*55,444
Ratio	1.70—1	0.36—1	0.43—1

*Excess of current liabilities over current assets.

Fixed assets are carried at $1,248,886 after depreciation with depreciated value of Loew's Theatre at $620,032 and of the Uptown Theatre at $614,382. Both theatres are in Toronto, the Uptown Theatre being leased to Famous Players Canadian Corp. Goodwill and booking rights are carried at $750,000; organization expense has been written down to $30,000 and bond discount to $2,293. There is a mortgage outstanding of $34,521 and 6 per cent first mortgage bonds of $129,000, the latter having been reduced by $33,000 in 1931. In addition to the preferred stock there are 7,500 shares of common. Dividends on the preferred stock have been paid to December 31, 1927.

C. N. R. Guaranteed Stock Wanted for Cancellation

From Our Own Correspondent

MONTREAL. — Announcement is made by the Canadian National Railways that the company will on July 1, 1932, have £168,658—approximately $820,687—available for the redemption of guaranteed debenture stock 1927 (issued in exchange for Grand Trunk Pacific Railway 4 per cent debenture stock), and tenders are invited for the sale of stock to the company for cancellation. Tenders, which may be made at any price between £60 and £100 per £100 of stock, including accrued interest, must be lodged by May 15.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1931 $	Net Income 1930 $	Common earnings 1931 $	Common earnings 1930 $	Curr. divd. $	Balance car. fwd. 1931 $	Balance car. fwd. 1930 $	Mkt.	Mkt. times earn.	Yield %
Montreal Cottons	Dec. 31	*164,392	*180,506	...	...	6	383,725	449,036	75	...	8
Industrial Acceptance	Dec. 31	73,260	64,370	1.22	1.07	1.20	43,030	41,770	...	...	...
United Securities	Mar. 31	194,272	216,032	3.78	4.21	2	206,968	115,216	24⅝	...	8.1
B. C. Packers	Feb. 29	*900,131	*1,266,038	...	...	...	†1,659,760	†759,629	...	...	...
Tuckett Tobacco	Mar. 31	732,944	729,016	‡36.65	‡36.45	...	2,469,642	2,176,698	114	3.1	6.1
Mercury Mills Ltd.	Dec. 31	*508,085	*204,839	...	...	...	††282,981	224,711	...	...	...
Brewers & Distillers, Vancouver	Dec. 31	*69,060	867,380	...	0.15	...	2,475,693	2,544,753	...	...	...
Can. Int. Invest. Trust	Feb. 29	112,250	144,251	0.18	0.38	...	104,119	68,133	...	...	...
Marcus Loew's	Jan. 2/32	112,831	52,298	...	...	...	483,009	396,469	52	...	...
Loew's London	Jan. 2/32	25,885	15,940	...	...	...	10,033	13,671	...	...	...

*Loss. †Deficit. ‡Preferred stock earnings. ††Loss for year totals $508,085 is not deducted from surplus.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Municipal—							
Saint John City and County	Apr.	Bank of Nova Scotia and Syndicate	6%	15-yr.	$573,400	97½	.....
Halifax, N.S.	May	H. R. Bain & Co., Nova Scotia Bond Co.	6%	5-yr.	300,000	98.82	6.278
Provincial—							
Prince Edward Island	May	Gairdner & Co. and Syndicate	6%	1947	$1,000,000	*100	6%
New Brunswick	Apr. 27	A. E. Ames & Co.	5%	30-yr.	$1,400,000	....	...
Manitoba	May 4	Wood, Gundy & Co. and Co-operative group of investment houses	6%	1947	5,000,000	*95.25	6.50%

*Offering price.

CANADIAN LIGHT INCOME HIGHER FOR LAST YEAR

Expenses Heavier Owing to Purchases of Power

Canadian Light & Power Co. in 1931 earned bond interest 1.7 times before depreciation and $1.32 a share on 33,248 shares of common stock as compared with $1.12 a share in the preceding year. In addition to the dividend of 1 per cent appertaining to 1930 earnings, dividends of 50 cents a share were paid twice in 1931 out of 1931 profits.

	1931 $	1930 $
Gross inc.	417,352	402,260
Oper. exp.	160,503	160,846
Oper. inc.	256,849	241,414
Bond int.	152,840	156,027
Net rev.	104,009	85,387
Deprec.	60,000	48,000
Balance	44,009	37,387
Divds.	33,248	33,248
Surplus	10,761	4,139
Prev. bal.	5,368	1,229
*P. & L. bal.	16,129	5,368

*Subject to 1931 taxes.

Working Capital Less

Examination of the balance sheet as at December 31, 1931, shows a slight increase in assets from $6,923,218 to $6,927,951. Fixed assets are virtually unchanged at $6,620,398.

There is a slight weakening in the working capital position of the company, current assets exceeding current liabilities by $43,612, as against $74,455 at the end of the preceding year.

There was a further reduction in the funded debt of the company, which now stands at $3,104,100, compared to $3,139,400 at the end of 1930.

Dominion Securities Issues 1932 Handbook

Issued annually since 1901, the 1932 handbook on Canadian Government and provincial loans has just been compiled and issued by Dominion Securities Corp. This handbook, which has become a standard of reference in investment circles, gives details of all federal and provincial bonds outstanding, including guarment of the financial position of anteed issues.

Included also is a concise statement of the financial position of Newfoundland and each of the provinces as well as provincial statistics on population, area, water power, trade, production, national wealth and transportation.

Auditors State Gasoline Prices Conservative

Report of auditors, who submitted to the banking and commerce committee of the House of Commons at Ottawa results of their examination of records and books of Imperial Oil, is that the company took no undue advantage of either specific or dumping duties in fixing prices during 1929, 1930 and 1931.

Conclusions of George A. Touche & Co., chartered accountants, Toronto, were as follows:

"That the company's records relating to the 1930 operating costs charged to gasoline showed no evidence of 'cost loading' by reason of affiliations in the United States and South America or because of unfavorable accounting practices, but rather that the gasoline costs, if anything, were not fully stated because of the company's conservative policies in the treatment of such matters as fire insurance premiums, depreciation rates, contingency reserve charges and inventory pricing.

"That the 1930 marketing costs charged to gasoline, while as a whole legitimate from an accounting point of view, were high in relation to total costs. The high cost of marketing is attributed to territorial and climatic conditions of the country and competitive conditions obtaining in distribution and marketing."

Goderich Elevator Increased Profits

Goderich Elevator & Transit Co. had net profit of $119,136 in the year ended March 31, 1932, or $1.41 per share on the 84,006 shares of no par value common stock outstanding. This compares with net profit of $108,978 in the previous year when shares earned $1.29. Dividends of $1.40 per share were paid in the past year.

Grain receipts are reported to have been heavier in 1931-1932 while the company started the current fiscal year with four times the grain in storage that was on hand one year previous. Assets of the company, after depreciation, are carried at $1,410,414. The annual meeting of shareholders will be held on May 11.

Toronto Elevator Earns Preferred Dividend Twice

While conditions in the grain trade have been very unsatisfactory, Toronto Elevators reports to preferred shareholders that the dividend was earned for the full year in the first six months of the company's year to March 31, 1932.

The dividend was earned after all reserves.

Arnold Bondholders, Agree to Concessions

Holders of the 6 per cent first mortgage bonds of Arnold Bros. Ltd., have agreed to release the company from the floating charge of the mortgage and to permit the trustee to release funds now held for payment of interest due on the bonds up to and including April 1, 1933. All sinking fund payments are waived until April 1, 1938, and the company is no longer required to pay interest in other than Canadian funds. Payment of interest is now being made.

Final approval to reorganization of the parent company, Consolidated Food Products Ltd., was given by shareholders at an adjourned meeting held April 29. Shares of Consolidated Food will be exchanged for shares of Stop & Shop Ltd.

Greece Off Gold Standard Other States May Follow

Recent action by Greece in suspending the gold standard, after provisional suspension of transfers of foreign debts and appeals for aid to France and Great Britain, makes it the first of the nations in Central and Eastern Europe to resort to this method of combatting the difficulties arising from the severe drop in commodity prices and the restriction of foreign trade.

Depressed trade, combined with cessation of foreign lending has greatly reduced the reserves of the national bank. During 1931, the Bank of Greece lost 1,100,000,000 drachmae in gold foreign exchange and during the first three months of 1932 a further 700,000,000 drachmae. Gold holdings have declined 150,000,000 drachmae during the year, although they are somewhat higher than in 1931.

New Group Agreement for Calgary City Hall

Calgary has made a new group insurance agreement covering lives of its employees. Under the new pact, employees are guaranteed a continuation of their policies after they leave the city's service. Some 73 ex-employees are affected immediately, the new plan allowing them to continue on the basis of 50 per cent of the policies they now hold. Ex-mayors and ex-aldermen who still hold policies under the scheme will not be carried any longer.

A reduction of $2 per $1,000 under the standard rates has also been made possible under the new agreement according to the Calgary Herald.

One of the stipulations of the new agreement is that in the future all persons enrolled as permanent employees of the city will be required to take out insurance under the group scheme, so long as they are under the age limit of 40 years.

INVESTMENT SECURITIES

THE NATIONAL CITY COMPANY LIMITED CANADA

The National City Company
Limited

360 St. James St.
MONTREAL

320 Bay Street
TORONTO

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Sir John Aird
W. A. Black
A. J. Brown, K.C.
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W. N. Tilley, K.C.
The Hon. J. M. Wilson

600

LOEW'S LONDON PROFIT HIGHER

Earned 76 Cents on Preferred Shares — 47 Cents in 1930

Earnings of Loew's London Theatres Ltd. were increased in 1931 to $45,580, which compares with $31,219 in 1930 and, after deduction was made for depreciation, write off of movie tone installation, and taxes of $4,901, the company had $25,885 available for preferred dividends as against $15,940 in 1930. Earnings per share on the 33,741 shares of 7 per cent preferred stock outstanding equalled 76 cents per share of $10 par value as against 47 cents per share in 1930.

In spite of resumption of preferred dividends, payment of which reduced surplus account by $3,638, working capital position was substantially improved with cash up to $18,924 from $8,263 and accounts payable somewhat lower. Taxes payable are the same at $5,200. Comparison of working capital with that of previous years is as follows:

Working Capital

	Jan. 2 1932 $	Jan. 2 1931 $	Jan. 5 1930 $
Current assets	18,924	8,263	12,466
Current liabs.	5,352	6,085	22,957
Working capital	13,572	2,178	*10,491
Ratio	3.53—1	1.35—1	0.54—1

*Excess of current liabilities over current assets.

Real estate, buildings and equipment are shown at cost of $446,979 from which is deducted depreciation reserve of $149,974 which was increased by $9,353 in the year. Goodwill, booking rights and organization expense remain at $516,827 and movie tone installation of which $14,503 has been written off is down to $12,702. In addition to the preferred shares on which dividends have been paid up to March 31, 1931, there are 50,000 shares of $10 par value common stock outstanding.

Income and surplus account for 1931 and 1930 compare as follows:

Income and Surplus Account
Years Ended Jan. 2

	1932 $	1931 $
Net earn.	45,580	31,21
Less: Deprec.	9,353	8,559
Movietone instal.	5,441	5,44
Income taxes	4,901	1,27
Net profit	25,885	15,940
Less appropriations:		
Pref. divds.	29,523	.....
Surplus for year	†3,638	15,940
Add: Prev. surplus	13,671	†2,38
Prof. on sale of equip.	......	113
Less: Tax adjust.	.....	2
Balance forward	10,033	13,67

†Deficit.

Imperial Oil Increases Turner Valley Pric

Imperial Oil has announced i creased prices for petroleum produc from the Turner Valley field follow ing the upward trend of crude o prices in the United States. Crud naphtha has been increased 20 cent per barrel to $3.32.

From March, 1931, naphtha ha been quoted at $2.74 a barrel, th lowest price recorded for the field The present quotation, therefore, i an increase of more than 21 per cent Up to January 1, 1930, the price wa $3.95 for naphtha, but on that da it was reduced to $3.65. In June o that year a slight increase to $3.6 was put into effect and was maintained until February, 1931, when i was cut to $3.19.

Current quotations for discolored naphtha are $3.08 a barrel, compared with the former price of $2.88. Crude oil prices have been advanced from 6c to 15c a barrel, depending on grade and now range from $1.56 to $2.80 a barrel.

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• • • • •

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TORONTO, MAY 7, 1932

CONFERENCE NO THREAT TO OTHER NATIONS

THERE is more than one way to blow up an ice jam. One is to use a sufficiently big charge of dynamite to destroy the whole jam at once. But if the jam is too large for a single charge then the job has to be tackled another way. A charge of dynamite in one place will produce a channel through which a small volume of water will flow. Another charge in another place will make a second channel. And as new charges are being set off, the first channels begin to widen from the flow of the water. Soon the stream will be in full flow again.

International trade today is frozen, not solidly, but to such a degree that there is no normal flow in the channels of business and depression is evident on every hand. And there is no spring thaw in sight. Obviously, dynamite is called for.

The ice in the jam is composed of many elements but the chief is excessive tariff regulation of imports in every country in the world. In 1931 world trade decreased by 27 per cent below 1929. This bears no small relation to the fact that one out of 28 persons in the world is today unemployed.

It would be suicidal for Canada or any other country situated like Canada to attempt to start international trade going by slashing its own tariff. The United States and France are probably the only two large nations that could, with impunity, contribute to world trade restoration by a radical unilateral revision of their tariffs. This is because they are the only important gold-creditor countries left.

But tariffs must come down and as the world average of tariff protection comes down Canada can well afford to bring its tariffs down. But since independent action by any one country—with the possible exceptions noted — would be futile, ineffective and dangerous for the country attempting it, the action must be taken by groups of countries.

It has been suggested that a world conference on tariffs should be called, at which all the important countries would agree to reduce their tariffs. This would be an ideal solution but the experience of previous world economic conferences suggests that it would be impractical. The pious resolutions of Geneva in 1927 merely led to a new outburst of tariff making.

But because the whole channel can not be burst open at once it does not follow that smaller channels can not be cleared in succession as the piece-work way of doing the job.

Whenever two countries make a trade treaty between themselves and increase the net total of their purchases from each other they are contributing to their own prosperity without necessarily doing so at the expense of other countries. Trade is an exchange of goods and services. The Canada-New Zealand trade treaty, for example, may increase both production and consumption in Canada and New Zealand without in any measure curtailing consumption or production in any other country. The treaty is an instrument for increasing the prosperity of these two countries and not a weapon against the world. This remains true of every successful bilateral trade treaty or reciprocity arrangement, even if there are isolated examples of diversions of orders from factories in countries outside the agreement. What is of interest to the world is not the diversion of existing business but the net increase in trade.

It is in this respect that the coming Imperial Economic Conference should be regarded as a factor of promise for the whole world. There is no reason for other nations to feel that trade consolidation within the Empire is a threat to their own prosperity or security. If it results in an extension of the idea of bilateral treaties between Empire countries, along the lines of the Canada-New Zealand pact, it can only bring about a net expansion in the total of international trade.

Similarly, trade treaties between other countries — say the United States and various South American republics or between countries on the continent of Europe—would result in a net increase in trade and an average lowering of tariffs throughout the world.

The important thing to do is to get international commerce going again. Bilateral treaties offer the way to do it. The Imperial Economic Conference is important because it provides an opportunity for the establishment of a group of such treaties between countries with many common interests. The conference can not hope to establish a completely self-supporting Empire although that is certainly within the realm of what is theoretically possible. A self-supporting Empire, living to itself, would be only in degree less obnoxious than a world of self-supporting countries, living to themselves.

The Imperial Economic Conference should brighten the whole world picture. It should dynamite some free-running channels in the ice jam.

PAN-HANDLE AUTHOR

A TORONTO political writer, J. R. Long, has written his reminiscences. To sell his book in advance he has asked "four hundred fellow-Canadians of repute" to trust him with three dollars apiece until he can deliver copies. His appeal urges haste: he has lost his salary and pledged his home, and needs cash immediately to save it. His letters use the names of many important Canadians who, he claims, have responded to his appeal.

Such pan-handling methods do not argue at all favorably for the merit of his volume, particularly when it is written by an obscure writer, whose letterhead refers to no books published in the last 25 years.

Business men who respond to such appeals show rare generosity —or gullibility.

THE NEW COMMUNISM IS OLD STUFF

WHETHER or not Hon. Vincent Massey is keenly interested in the work of the League for Social Reconstruction is a matter for the consciences of Liberal chieftains who are about to name him president of the National Liberal Association. The very name "Liberal" presumes a willingness to look open-mindedly at every new and interrupting idea but one may examine and yet discard. No one will hold it against any Liberal if he studies Communism but the Canadian public would make short work of the political leader who would espouse it. There are some in Canada who would vote enthusiastically for the programme of the League for Social Reconstruction but it is very doubtful if more than the barest fraction of the membership of either the Liberal or Conservative parties would subscribe to the pure communism of its manifesto. The attempt of the Prime Minister to link Mr. Massey with the League may have done him an injustice. If so Mr. Massey will have ample opportunity to set himself right with the less radical elements in Canadian life.

With a few of the more superficial phrases in the League's appeal to the Canadian public even the most determined capitalist can agree. But in the main it is old and unpalatable stuff. It rails at an imperfect world and would reform it by formula. That the formula happens to be the original Lenin doctrine—minus the modifications that economic necessity and the weaknesses of human nature are beginning to enforce in Russia —is to be expected. If one assumes that the whole world is wrong, and can not evolve something better through the slow workings of the trial and error method, then there is only one thing to do, to suggest that we turn the present system upside down and see what is on the other side.

But to catch the public fancy, to recruit the discontents and the misfits, and to get students while they are young and inexperienced, to appeal to those occasional unfortunates who have not been able to find their place yet in the economic pattern, one must have battlecries and catchy slogans. A league officered by university professors is in this respect not much different from a league officered by clap-trap politicians. "The common good rather than private profit;" "concentration of wealth in the irresponsible minority;" "a new social order;" "economic equality among all men;" there is a familiar ring to all this. If the league lacks funds to campaign with it will only have to raise the price of a cable to the Politbureau or the Third Internationale at Moscow to receive support similar to that accorded many previous organizations working in Canada for social revolution.

Mr. Bennett put the aims and objects of the League on record in Hansard. Here they are as Mr. Bennett read them, from a document of the League:

> "As essential first steps toward the realization of this new order we advocate:
>
> "(1) Public ownership and operation of the public utilities connected with transportation, communications, and electric power, and of such other industries as are already approaching conditions of monopolistic control.
>
> "(2) Nationalization of banks and other financial institutions with a view of the regulation of all credit and investment operations.
>
> "(3) The further development of agricultural co-operative institutions for the production and merchandising of agricultural products.
>
> "(4) Social legislation to secure to the worker adequate income and leisure, freedom of association, insurance against illness, accident, old age, and unemployment, and an effective voice in the management of his industry.
>
> "(5) Publicly organized health, hospital, and medical services.
>
> "(6) A taxation policy emphasizing steeply graduated income and inheritance taxes.
>
> "(7) The creation of a national planning commission.
>
> "(8) The vesting in Canada of the power to amend and interpret the Canadian constitution so as to give the federal government power to control the national economic development.
>
> "(9) A foreign policy designed to secure international co-operation in regulating trade industry and finance, and to promote disarmament and world peace."

This is the new Communism in Canada, but it is the same as the old Communism that people have time after time rejected. It would be an insult to many of the soundest minds in the country to say that it is the new Liberalism.

MONTREAL AND MARITIMES ON WATERWAY

THERE is still no word of the nature of the negotiations between Canada and the U. S. A. on the St. Lawrence Seaway. Seven of the nine provinces are definitely opposed to the Seaway. Manitoba, which favors it, ought to make a success of its own Hudson Bay Railway before asking the country to build another highway of transportation to be operated at public expense. Ontario, where certain groups favor the Seaway, has no right to ask British Columbia or Nova Scotia, to pay a big share of the cost of its power or transportation.

A five-year's hoist to the negotiations would relieve the minds of most taxpayers in Canada.

Just now the special argument presented for early action on the Seaway is that, if Canada does not build it jointly with the United States, New York State will develop a competitive Oswego-to-Albany route that will steal some of Montreal's grain export trade. Even if there were danger of this it would be better for Montreal to lose the last few cents of handling charges on a few million bushels of its grain trade than that the country as a whole should be asked to shoulder an annual burden of millions of dollars. But it is by no means certain that Montreal has anything to fear from any alternative route. The Montreal Board of Trade is often accused of opposing the canal because of some selfish fear of losing trade. If the Montreal board's view is as selfish as canal propagandists declare why then does it not support the canal to forestall the loss of its grain trade? It is because the Montreal board anticipates no such loss of trade from the American route.

In a recent resolution the board said:

> "That the council is not disturbed by fear of the possible development of competitive waterways outside of Canada, believing that some slight improvement of the St. Lawrence canal system at its weakest spot, and the provision of increased grain storage capacity at strategic points will secure to the Canadian route, both winter and summer, a greater share of the grain export trade than it has heretofore enjoyed, notwithstanding any likely or possible development of rival routes."

The Halifax, Saint John, and Maritime Boards of Trade have also opposed the Seaway.

PRESCRIPTION

SIR ARTHUR BALFOUR, British steel magnate, who is well known to Canadian business men, urges as a foundation for trade recovery: a ten-year moratorium on war debts; reduction of reparations to Germany's ability to pay; adoption of the British pound as the world's trading currency; reduction of costs of production.

"We must have drastic economy, national, municipal and individual. Very hard work, longer hours, if need be, and we shall have to make our standards of living suit the times and circumstances in which we live," says Sir Arthur.

THE OBSCENE MAGAZINE RACKET

ONE of the latest rackets to be exposed in New York is in the magazine field. Church leaders and decent authorities in their efforts to stop this immoral campaign find that the profits on the sale of filth magazines are so huge and the immunity enjoyed so great that the corrupter has become bold and brazen. His vendors are located hard by the public schools. When remonstrated with they say they have no choice in the matter. The big wholesale news companies who supply them say they must handle these vile periodicals or be deprived of decent publications, which would mean closing their newsstands.

"This constitutes one of the most subtle and indefensible rackets of our day," says an eminent American clergyman. "It is a threat against good morals and good government. Such publications are a peril and an outrage. They batten on the lust of boys and the virtue of girls. The only excuse for their existence, so far as we have been able to discover, is profit, profit, profit."

A number of these obscene, indecent and lascivious magazines are being sold in Canada, sometimes openly; but decent newsdealers refuse to handle them. As a rule they are kept under the counter and are handled partly by foreign agents.

The purpose of the Opposition in any parliament is intelligent criticism but most Opposition frontbenchers interpret that as continual obstruction. There was something refreshing in the spectacle of Hon. James A. Malcolm, a former Liberal Minister of Trade and Commerce congratulating the present minister on the New Zealand treaty. Mr. Malcolm made some constructive criticisms but said, "I do not know that the minister could have made a better treaty than he has."

POST-scripts

THE manner in which news becomes distorted by passing through many hands came to the attention of the editors the other day. An American publication featured a news item to the effect that the Canadian Pacific Railway had recently started a new project with the "simple but significant" ceremony of burying a miniature steam shovel. The item went on to say that symbolically the ceremony meant that hereafter labor-saving machinery would be avoided and on future contracts hand labor would be used as much as possible.

What actually happened was somewhat different. The project mentioned was not carried out by the Canadian Pacific Railway, but by the City of Montreal. It was the building of a tunnel underneath one of the main boulevards. A miniature steam shovel was burried by an ex-alderman, who took the occasion to make a pre-election speech, the tenor of which was that as long as his party was in power hand labor would be used on all municipal work in order to relieve the unemployment situation.

It was probably a fine speech, but a new group sits in power at the City Hall.

THERE have been various efforts made in the past year to encourage public sentiment by quoting pessimistic utterances of leading men in the 19th century. One is apparently supposed to derive consolation from the fact that their dire predictions were not realized; otherwise it is difficult to see what bearing these gloomy platitudes have on the present economic crisis. The fact, for instance, that the British Empire survived Lord Shaftsbury's prophecy in 1868 that nothing could save it from shipwreck is not particularly remarkable nor is it any more astounding that the country thrived despite the belief expressed by Lord Grey in 1819 that everything was tending to a convulsion, whatever that meant. In all likelihood these words were spoken with a view to the next day's newspapers and can hardly be regarded as pertinent.

William Wilberforce, however, made a statement in the first decade of the 19th century which is too good to be lumped in with the other vacuities; his remark may well live for many years. It was "I dare not marry—the future is too dark and uncertain."

MONEY is scarce these days and some of our Western farmers are not as affluent as they might be. In other days they bought on the installment plan farm lands, machinery, automobiles, etc. It has been difficult for them to meet their obligations and the answering of letters from creditors asking for further payments has been developed to a level hitherto unthought of in the West. Probably the prize goes to a farmer who wrote to the Hudson's Bay Co. explaining why he couldn't meet the annual payment on his land. There is a tragic side to it, as the Governor said when he read it at the annual meeting of the shareholders, but it is not without humor.

The letter said: "I got your letter about what I owe. Now be pachant. I ain't forgot you. Please wait. When I have the money I will pay you. If this was the Judgment Day and you was no more prepared to meet your Maker than I am to meet your account you sure would have to go to hell. Trusting you will do this."

New Books

"Money Talks"

In this case it speaks in the language of poetry. Donald McDonald is a versiferous economist who lives in Camlachie, Ontario, and pens monetary stanzas for the Sarnia Observer. Forty-five sprightly poems on hard times and their cure make up this little volume which the author offers at the purely nominal sum of 25 cents to all who like their monetary economics wrapped in the cellophane of literary couplets.

"The Twelfth Hour of Capitalism"

When Kuno Renatus, German economist, tells us that capitalism is at the crossroads we are apt to yawn a bit. But Prof. Renatus goes a step further and offers a refreshingly original suggestion as to the road capitalism should take. His hypothesis is that a primary cause of depression is that the world is burdened with an excessively high debt, representing chiefly obligations incurred for non-productive purposes—such as the war. This debt tends to increase alarmingly from year to year as compound interest charges pile up. The live productive capital of the world is being rapidly consumed to meet the interest and amortization on dead weight liabilities. The economic world is now going through a slow but inexorable process of deflation, by which these debts are being written down to a figure bearing some relation to the productivity of the world. In this slow process, investors are going to lose a large part of the face value of their holdings anyway and in the period of delay the problem is becoming further intensified.

Herr Renatus would have the world recognize that there must be a large writing down of this deadweight paper obligation and speed the process by a clean-cut sword stroke. His suggestion is a writing down by governments of all their war loans. He would have the Americans take the lead by writing down all their war loans by 20 per cent, a figure which would fall short of the increased purchasing power of their bonds, due to the change in the price level. This would reduce the governmental outlay on interest and amortization, and incidentally relieve the United States treasury of an annual amount greater than its entire war debts receipts and thus enable that country to dispense with reparations without cost to taxpayers.

Herr Renatus feels that the depression will only be ended by restoring to the purchasing power of the masses a large portion of what governments now mulct from them in the form of taxes. The simplest way to cut state budgets is to cut state debts.

It may be pointed out that what this German economist proposes would not be much different—except that it would be on a smaller scale—from what France and Germany did to the creditor class when they devalued their currencies.

It sounds at first glance as a communistic idea that investors should be asked to bear alone the cost of restoring prosperity but then there is much truth in Herr Renatus' contention that they are going to have to do it, as a class, anyway. The effect would be much the same as asking bondholders of a company, that cannot earn more than four per cent on its bonds anyway, to accept $800 of new five per cent bonds for each $1,000 of five per cent bonds they now hold and thus avoid the slower processes of default, foreclosure, receivership and reorganization.

The essential weakness in the plan of course is that it asks the bona fide investors in government securities issued for war purposes to accept a writing down in order that a heavier writing down may be avoided of other obligations held by other investors. Put more briefly, it asks the holder of U. S. Liberty bonds to pay for reparations, which must otherwise be paid by Germany, or the allies, or the American taxpayer. The chief argument offered the bondholder is that if he does not accept the proposal, he is likely to lose all anyway through the breakdown of capitalism.

But wouldn't a fairer and more even assessment on all investors be effected by straight inflation that would cheapen the purchasing value of their investments?

"The Twelfth Hour of Capitalism," translated from the German, is published by Alfred A. Knopf, New York, at $2.50.

As Others See Us

No Fair Chance For Radio

Halifax Herald: The Financial Post goes to the core and crux of the situation in that comment. It is a vital fact that for several years the present operators of radio stations in Canada have been left in a state of uncertainty, and have not been given the free hand they have desired in improving their equipment and building up the character of their programmes.

The people of Nova Scotia will recall a similar situation as affecting this port some years ago, when a large steamship company was left in a state of uncertainty, wherein it could not improve its service, and was finally and unceremoniously forced out of the field by government operation.

Before the present situation in radio broadcasting in Canada can fairly be criticized, operators of Canadian stations should be given an effective opportunity of improving their service.

"Stop Me If You've Heard This One"

Bernard Baruch, the financier, and Herbert B. Swope, the journalist, are always kidding each other. In phoning the other, one is prone to announce "This is Mussolini calling," or something equally ridiculous. Recently, while in the company of Winston Churchill, Mr. Baruch was summoned to the phone. "President Hoover on the phone," he was told. He winked at Mr. Churchill. According to the New York News, this is the conversation that ensued:

Baruch—How are you, you big cheese?

Voice—Did you say chief or cheese?

Baruch—I said cheese. I know who I'm speaking to.

Voice—This is President Hoover.

And it was.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

CONTROLLED INFLATION

ACTION of the Federal Reserve banks in buying United States Government obligations in order to pump money into business meets with the unqualified approval of one Canadian financial leader. T. B. Macaulay, president of the Sun Life, has been urging this reflationist policy for two years. Mr. Macaulay believes that large "open market" operations by the Federal Reserve Board are certain to start prices upward and change the business outlook.

Recently, in an interview with B. C. Forbes, Mr. Macaulay said:

> "The credit base of the United States consists in part of gold and in part of government bonds, rediscounts and bills. Its amount can be increased by simply buying more bonds—without in any way departing from the gold standard. If the Federal Reserve were to buy $500,000,000 of government bonds the checks given in payment would be deposited with the commercial banks, who would thus obtain that amount of additional Federal Reserve credit. From this credit they would at once pay off their rediscount borrowings, and any balance would increase the credit base and enable them to extend approximately ten times that amount of commercial credit. Money would at once become more plentiful.
>
> "If the Federal Reserve should at once purchase $500,000,000 or $600,000,000 of Government securities, the turn for the better should be evident almost at once."

* * *

NOW the Federal Reserve Board has started to do what Mr. Macaulay has long urged.

The Reserve banks about the end of February began a programme of purchases which averaged $25,000,000 weekly during the five weeks ended April 6. On April 13 Governor George L. Harrison of the New York Bank made a public statement that "the programme has again been speeded up in rate and volume." The report of condition of the Reserve Banks on April 13 revealed an increase of holdings of governments during the week of $100,000,000, and in the succeeding two weeks an increase of $206,000,000 occurred.

This action of the Reserve authorities, taken for the purpose of creating easier money conditions, and thereby enabling the member banks first to free themselves of indebtedness to the Reserve Banks and then to offer funds more freely to the public or buy securities themselves, is regarded by some commentators as the most important stroke of central bank policy ever made. Open market operations have never been undertaken before on the scale cited.

Open market operations for the purpose of influencing the money market are comparatively new in central bank practice. Central banking is an evolution in Europe from almost unregulated private banking, with numerous banks of issue, and the first step was by concentrating currency issues in each country in one central institution closely related to the government. Its position as the source of currency issues naturally placed the central bank at the head of the country's banking system, other banks using it as a depository, looking to it for rediscounts as occasion might require and following its lead in financial policies of public importance. The central banks developed by experience the practice of using the discount rate to control the volume of credit and the movement of gold into and out of the country. Reserve Bank credit is "money" in the market, and an advance of the discount rate tends to make "money" dearer throughout the country while a lowering of the rate has the opposite effect.

* * *

THE influence of the discount rate was supplemented to some extent in recent years by open market operations, to wit, purchase or sale of securities by a central bank. A purchase by the bank giving a check on itself in payment puts credit into the money market and tends to make "money" easier, while, per contra, a sale of securities by the bank withdraws funds from the market and tends to make "money" dearer. Credit for discovery of the efficacy of open market operations naturally belongs to the Bank of England, which long has had the problem of dealing with larger gold movements than any other institution and also has had resort to the most effictively organized money market in the world. It does not appear that other foreign central banks have used the practice to any great extent.

The Federal Reserve authorities have resorted to open market operations rather freely, buying and selling United States government securities. The principle followed is that purchases are made when business is depressed, and sales when business is over-expanded, the aim being to promote stability in credit, prices, and trade.

* * *

OF COURSE, the Federal Reserve's new policy is not hailed with delight in conservative quarters. The Commercial and Financial Chronicle, the monetary bible of those who believe that credit expansion should follow and not precede business expansion "views with alarm" and says:

> "This is inflation, pure and simple.... there can be no doubt that there is considerable distrust regarding the soundness of the American financial position and that no little apprehension is felt as to the outcome.... Of course, this is controlled inflation under the wise guidance of the Federal Reserve authorities but any kind of credit or note inflation has the fatality of ultimately assuming a run-away character."

Moreover the Chronicle considers that the "wisdom" of the Reserve authorities is yet to be demonstrated.

The National City Bank, of New York, on the other hand, does not fear an unfavorable European reaction, feeling that the Reserve authorities have the approval of European bankers.

What does inflation in the United States mean to Canada? If it means an improvement in stock and bond prices and general business in that country it should help us. On the other hand, if it contributes to the deterioration of American financial conditions, there would still be benefit in at least one direction for the decline of the American dollar that would follow would tend to increase the relative value of the Canadian dollar.

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The Week in Business

Seeding Delayed in West

Russian Bogey Due to Disappear

Business Still Marks Time

ALTHOUGH seeding operations throughout the West have been retarded somewhat by the rains and snows of ten days ago, no one complains because the delay is so overwhelmingly offset by the tremendously beneficial effects the timely precipitation brought in its wake. The C. N. R. crop report for the week shows seeding from 20 to 50 per cent complete in Manitoba; 20 to 40 per cent in central Saskatchewan; 20 per cent in Alberta, while in Peace River all work has been delayed on account of heavy rains and fresh snow. A favorable feature of the current outlook is the fact that at no point in the dried out areas of Saskatchewan, are cutworms noted. One result of the delay in seeding will undoubtedly be a considerable spread in harvesting dates between grain sown before and after the wet spell.

The "good" news is summed up in a paragraph of the current Sanford Evans Statistical Service report which says:

> "The drought areas of southern Saskatchewan have now sufficient moisture until well into the growing season; those of Southern Saskatchewan have sufficient for germination but more will be needed from time to time because of the lack of subsoil reserves; those of southern Manitoba are in a somewhat similar condition to southern Saskatchewan though better. Northern areas have excellent soil conditions but seeding has not begun yet there."

* * *

AND speaking of the wheat outlook, there seems every prospect that a permanent quietus will shortly be put on the Russian wheat bogey by the very exhaustive study which is shortly to be published by Dr. Vladimir P. Timoshenko, (a Russian-trained economists, now associate professor of Economics at Michigan University) a condensation of which has been issued by the Food Research Institute of Stanford University.

This authoritative picture, which according to the Northwestern Miller, is "presented with an intimate knowledge of Russian agricultural conditions and supported by a mass of authoritative data," is calculated to allay fears of other wheat producing countries, that Soviet production will one day overwhelm the world's wheat markets. It expresses the definite opinion that Russia will not soon recover its pre-war position as an exporter of wheat, and that for many years to come expansion of wheat acreage will be a slow and difficult process, yields will continue highly variable, domestic needs will increase with the rapidly growing population, and large exports will be possible only in high yield years and under a system of careful rationing. It presents a picture of both European and Asiatic Russia as a vast wilderness of which only a comparatively small portion along the southern border is suited by combination of soil and climate for agriculture, and of that area the better part now is under fairly intensive tillage, while the best grain growing sections already are overpopulated.

* * *

THE business news of the week shows little change. In the United States the new month revealed securities continuing their slow decline in a colorless market, with most bonds feeling the impact of heavy liquidation. Commodities were under pressure, most of them losing ground, while the more important foreign exchanges remained firm. Just what the ultimate outcome of the Federal Reserve Board open market operations will be remains uncertain, although its early effects have undoubtedly been somewhat stimulating. In Canada, carloadings show a slight improvement as did retail sales and employment in cities. Business is still marking comparative time for this usually busy period of the year.

Business Conditions in Canada

SEVERAL CITIES GET APRIL GAIN IN EMPLOYMENT

But Slackness in Outdoor Lines Causes Index to Drop

Employment in Canada on April 1, dropped to the February, 1925 levels, according to data prepared by the Dominion Bureau of Statistics. Seasonal reductions in construction and communications more than offset gains in manufacturing, local transportation and trade. Increases in manufacturing activity were especially notable in pulp and paper, textile and iron and steel products.

The Bureau's index declined to 87.5 as compared with 88.7 the previous month and 99.7 as at April 1, 1931. The decline was greater than the corresponding seasonal dip in 1931, but was smaller than that recorded in the spring of 1930. All provinces except British Columbia registered reduced employment, the losses in Quebec involving the greatest number of workers.

Analysis by Cities

By cities, the index showed employment increased in Montreal, Ottawa, Windsor and adjacent border cities, while losses were noted in Hamilton and Winnipeg. Quebec City, Toronto and Vancouver reported no change. Civic returns as analysed by the Dominion Bureau are as follows:

Montreal. — Expansion was shown in Montreal, according to 1,063 firms who reported the additional of 2,174 persons to their staffs, bringing them to 134,224 on April 1. Activity was less than on the same date last year, although the gains then indicated were indicated on a smaller scale. Manufacturing as a whole was slacker than on March 1, iron and steel showing the greatest loss in this comparison. On the other hand, transportation and construction reported heightened activity.

Quebec.—Manufacturing registered a small gain in Quebec City, but transportation was slacker, so that there was practically no change in the general situation. Statements were received from 141 employers with 12,356 workers, almost the same number as in March. Losses were noted on April 1, 1931, when the index was higher than on the date under review.

Toronto. — Toronto employers also reported no general change, improvement in manufacturing, transportation and trade being offset by losses in construction. The working forces of the 1,166 co-operating firms totalled 115,851 persons. Employment was not so active as on the same date of last year, when large gains had been indicated.

Ottawa.—There was an increase in activity in Ottawa, chiefly in construction and manufacturing; an aggregate payroll of 12,957 workers was reported by the 159 employers whose statistics were tabulated, and who had 12,276 in their last report. The index was lower than in the spring of 1931, although the advance then recorded was on a smaller scale.

Hamilton.—Manufacturing (especially of electrical apparatus and iron and steel products) and construction afforded less employment in Hamilton, while trade was rather more active. Returns were compiled from 235 firms employing 27,662 persons, or 975 fewer than on March 1. The level of employment was lower than on the same date of last year, when the movement had been favorable.

Windsor and the Adjacent Border Cities. — There was a considerable increase in employment in the Border Cities on April 1. Data were received from 134 firms employing 11,532 workers, as against 10,284 in the preceding month. Automobile plants reported a very large share of the advance, while other industries showed only slight changes. Activity was not so great as in the spring of 1931, although the expansion then indicated was on a rather smaller scale.

Quebec Only Area To Gain in March

Maritimes and British Columbia Make Poorest Showing According to Business Indices

By SYDNEY B. SMITH

Quebec was the only economic area showing a gain in business during March, according to The Financial Post indexes of business activity. The index of Quebec was 103.4 compared with 102.1 in February, a gain of more than one per cent.

The other areas showed decline, the contraction in business being more noticeable in the Maritime Provinces and British Columbia. The recession in Ontario was moderate, the index with the average for 1926 equalling 100 being 88.6 in March compared with 90.5 in February. The decline in the index for the Prairie Provinces was 4.4 per cent, the index standing at 106.3 in March compared with 111.2 in February. Judged by the level of business operations in the first quarter, it now appears that 1932 will be less active than either 1930 or 1931.

Maritimes—The statistical factors relating to the Maritime provinces reflect the inactive conditions of the present year. The index in January was 122.4, the recent decline being shown by the indexes of 114.9 and 106.9 in February and March, respectively. The new business obtained by the construction industry was particularly small in March and the gain in April was less than normal for the season. Employment was down after seasonal adjustment to 92.1 compared with 96.9 at the first of March, in spite of the fact that manufacturing, coal mining and trade showed some improvement during the month.

Electric output was 44,292,000 kw.h compared with 46,998,000 in February and when this is placed on an average daily basis and adjusted for seasonal tendencies the decline was marked. The steel plant at Sydney continues in operation, the Dominion Iron and Steel Co. having an average force of 694 men on their pay rolls.

Most of the coal mines were operating on part time but some improvement was shown in the industry during March.

Bank debits in the Maritime provinces showed a slight gain in March and sales of insurance were $2,395,000 compared with $2,275,000 in February. Regular placements showed a gain of 4.8 p.c. after seasonal adjustment.

Quebec—Has made an excellent showing since the first of the year, the index of activity having recorded two consecutive gains. The chief element in the gain in March was the expansion in bank debits, the total of $638,000,000 comparing with $576,000,000 in February, the gain after seasonal adjustment being no less than 10 p.c.

The electric output was 722,215,000 kw.h. compared with 682,575,000, a substantial gain being shown after usual adjustments. The index of employment was not far from maintained, the seasonably adjusted index being 90.6 compared with 91.1. Employment in textile plants showed moderate gains in March and working forces were somewhat greater than during the base period of 1926. The mining industry tock on additional workers in March and trade organizations showed moderate gain to an index of 126.0 compared with 125.7 on March 1.

The construction industry was slack in March and the new business in the early spring suggests an inactive season. With high interest rates and lack of profitable opportunities in the near term, there is no prospect of important resumption in construction operations in the present season.

Sales of life insurance amounted to $11,354,000 compared with $12,157,000 in February, a considerable decline being shown after seasonal adjustment. The net result was that the index for Quebec was 103.4 in March compared with 102.1 in the preceding month, a gain of 1.2 p.c.

Ontario—Despite some favorable developments the general index for Ontario showed further moderate decline in March. A bright feature was the gain in employment after seasonal adjustment, the recession in the index being less than the normal decline for the season. Most lines of manufacturing showed gains, the index for all plants being 87.6 compared with 86.8 on March 1. The gain in iron and steel plants reflected the greater activity in the primary iron and steel and automobile industries.

Construction contracts awarded were $4,579,000 in March compared with $3,956,000. The total for April at $4,017,800 indicates that building operations are at a moderate level. Electric output after seasonal adjustment showed a gain of about 1 p.c. The use of electric energy obtained by adding the receipts from Quebec to production and deducting the exports to the United States was 470,800,000 kw.h. in March compared with 442,700,000 in the preceding month.

The financial factors showed rather marked decline in March, bank debits and sales of insurance being at lower levels. The index was 88.6 in the month under review compared with 90.5 in February, a decline of 2.1 p.c.

Prairie Provinces—The indicators for the Prairie provinces were mainly reactionary in March although employment showed a slight gain and contract awards were at a fair level considering general conditions. The outlook for the area has been much improved by the snow and rain of the last month. In most parts of the West there is now sufficient moisture in the soil to germinate the seed for the next crop.

In the meantime the index shows that business operations in the area are at a low level. The contracts awarded were $2,006,000 in March compared with $243,000 in February and the showing of $1,724,000 in April was fair. Building permits were only $345,000 in March, building operations reflecting depressed conditions.

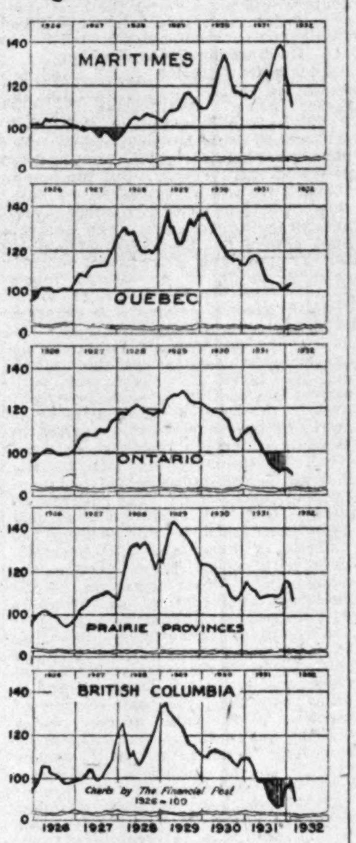
The output of electric energy generated by water power was 110,942,000 kw.h. compared with 11,399,000 kw.h. in the preceding month. Bank debits, sales of life insurance and regular placements by government employment offices showed decline.

The general index was 106.3 compared with 111.2 in February.

British Columbia—With the outlook for the sale of lumber in external markets somewhat improved and with salmon stocks scarcely more than sufficient to meet normal demand until the new pack is available, conditions in British Columbia stand a better chance as the season advances. The only factor out of the seven used here showing a gain in March was the index of employment. Most of the principal lines of manufacturing took on additional workers in March and logging and construction were more active, the index of employment after seasonal adjustment being 84.6 compared with 84.1 on March 1. Contracts and building permits showed contraction in March after seasonal adjustment and the April contracts were limited to $838,100.

The index for British Columbia was 91.8 compared with 98.2 in February.

Quebec Makes Gain



Quebec was the only economic area of Canada to make a gain in March according to The Financial Post business indicators for that month. The Maritimes continue to show the best relative position.

Business Briefs

Carloadings for the week ended April 23 amounted to 41,707 cars, an increase of 198 over the previous week. After adjustment for seasonal variation the index number for the week was 72.58 as compared with 72.38 for the previous week. Merchandise loadings, at 14,463 cars, showed an increase of 477 cars over the previous week but the index number was only 83.42 as compared with 80.98 for the previous week and 83.90 for the week before that.

Average Value of the pound sterling declared by the Department of National Revenue for special duty purposes is $4.20, effective for entries during the period 1st to 15th May, 1932, inclusive.

Electrical Firms are disappointed with the terms of the New Zealand trade treaty, according to Hardware and Metal. The advantage to Canadian electrical firms in the tariff rates is said to be much less than was the case under the former treaty.

Coal Output for March totalled 1,024,190 tons, a decline of 19.8 per cent from the five year monthly average and 14.0 per cent less than the February production. Nova Scotia produced 369,092 tons, Alberta 393,234 tons, British Columbia 160,100 tons, Saskatchewan 82,036 tons and New Brunswick 19,728 tons.

Coal Imports for March amounted to 711,522 tons of which 698,091 came from the United States and the balance from Great Britain. Of the grand total, 222,253 tons was anthracite and 489,046 bituminous.

Coke Production in March was 156,108 tons as compared with 143,915 tons in February and 151,111 in January. Production in March, 1931 was 179,000 tons.

APRIL CONSTRUCTION HALF 1931 TOTAL

Engineering Contracts Show Large Decrease from Previous Month

Construction contracts awarded in Canada during April amounted to $10,112,900 as compared with $10,766,700 in March and $22,707,500 in April, 1931, according to MacLean Building Reports. Compared with the previous month, residential building contracts with a total of $2,485,300 are increased 28 per cent, business contracts at $3,845,600 are down 7 per cent, industrial contracts at $677,100 are increased 35 per cent and engineering at $3,104,900 are down 26 per cent.

Ontario leads in April contracts with $4,017,800 or 39.7 per cent of the total. Quebec is next with $2,947,900 or 29.1 per cent followed by the Prairie Provinces with $1,724,100 or 17.1 per cent, British Columbia with $838,100 or 8.3 per cent and the Maritimes with $585,000 or 5.8 per cent.

For first four months of 1932, total contracts awarded amount to $48,420,500 as compared with $96,248,500 for the same period of 1931. Of the 1932 total, engineering is credited with $20,359,800 or 42 per cent, business buildings with $16,891,600 or 34.9 per cent, residential building with $9,093,400 or 18.8 per cent and industrial with $2,075,700 or 4.3 per cent.

1931 Fruit Production Below Previous Year

Preliminary estimate of fruit production in Canada for the year ended May 31, 1931 places the value at $14,756,636 as compared with $18,165,276 in the previous year, despite the fact that the quantity of the main fruits is increased. Average price of all commercial fruits was lower than in 1930, apples falling from $3.24 to $2.38 a barrel, peaches from $1.53 to $1.32 a bushel and grapes from 3¼ cents to 1 3/5 cents a pound.

Total production of commercial apples for 1931 is estimated at 3,731,950 barrels of the value of $8,863,797 as compared with 3,419,327 barrels, value $11,082,796, the finally revised estimate for 1930. No other fruit approaches the apple as a commercial crop, the nearest being strawberries with 17,027,363 quarts at $1,691,471 in 1931 as compared with 11,972,238 quarts at $1,697,324 in 1930. Peaches come next with 886,233 bushels at $1,173,654 and grapes with 50,830,000 pounds at $813,280.

Retail Sales Increase by Bureau Tabulation

Index numbers of retail sales issued by the Dominion Bureau of Statistics for March, 1932, show increased sales for nine groups and decreased sales for two groups as compared with February, 1932. The combined index, due mainly to seasonal influences, rose from 75.2 to 85.3. Corresponding indexes for February and March, 1931, were 86.4 and 99.8 respectively.

No correction of these index numbers has been made for seasonal influences, nor is there any allowance for price changes.

These index numbers are based on returns from 83 chains, comprising approximately 2,700 stores, and 25 departmental stores. Index numbers for all groups behaved as follows:

Boots and shoes rose from 48.1 in February to 62.7 in March; candy from 69.8 to 103.0; clothing from 52.3 to 86.0, and drugs from 87.4 to 90.8. Dyers and cleaners increased from 75.4 in February to 88.3 in March; general and departmental from 78.4 to 89.0; groceries and meats from 83.8 to 88.6; hardware from 54.1 to 65.6 and restaurants from 65.0 to 67.3.

Furniture sales dropped from 64.5 to 49.5, and music and radio from 34.9 to 31.9.

Tea Imports for March

The importation of tea in March was 9,125,881 pounds, valued at $1,380,380. The British Empire supplied 8,220,769, India being the chief producer. Foreign countries sent as follows: Japan 885,892, China 6,041, Dutch East Indies 5,512, United States 4,870, Argentina 2,745.

APRIL DISAPPOINTS MARITIME FIRMS

But Retail Trade Shows Pick-up at Month End — Heavy Inflow from East

April proved a somewhat disappointing month to manufacturers in the Maritimes, according to the monthly report of the Saint John Board of Trade. The report indicates that the Maritimes are "suffering" somewhat from having the reputation of being, comparatively, the most prosperous part of Canada. Retail trade finished the month in a most encouraging manner, the survey says.

"**Retail**—The first half of April was a dull one for our merchants. In a good many lines, buyers proved unusually shy notwithstanding the attractiveness of offerings and prices. However, toward the latter portion of the month, conditions brightened considerably. While April, this year, compares rather unfavorably with the same month of 1931, it certainly finished a good deal better than its earlier weeks promised.

"**Industry**—Local plants, for the most part, continue inactive. April was a rather disappointing month. However, toward its close a number of our manufacturers were conscious of a brighter and not too distant horizon.

"**Line of Least Sales Resistance**—An impression prevails throughout Canada that general conditions in the Maritimes are better than in any other section; and apart entirely from any question as to the correctness of such impression, the fact remains that its consequences are not entirely benign. It appears that high-pressure salesmen who seek to proceed along the line of least sales resistance are flocking into these provinces and making it very difficult for Maritime concerns in a number of lines to compete successfully for Maritime business. Of course, the Maritimes always were Central Canada's main export market for factory commodities.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932	1931	Cumulative Jan. 1 to date 1932	1931
Transportation—				
Car Loadings (Apr. 23)	41,707	48,726	658,264	751,598
C.P.R. gross earn. (Apr. 21)	$ 2,063,000	$ 2,841,000	$ 34,521,000	$ 43,078,000
C.N.R. gross earn. (Apr. 21)	$ 2,690,499	$ 3,531,682	$ 42,451,489	$ 52,565,409
	Monthly			
C.P.R. net earn. (Mar.) ...	$ 1,170,502	$ 1,335,700	$ 2,017,415	$ 2,435,246
C.N.R. net earn. (Mar.) ...	$ 558,604	$ 780,938	$ ‡618,946	$ 98,461
Iron and Steel—				
Pig iron, tons (Mar.)	17,989	57,100	38,801	139,097
Steel, tons (Mar.)	43,572	99,341	97,101	239,576
Automobiles prod. No. (Mar.)	8,318	12,993	17,526	29,353
" exports, No (Feb.)	414	1,596	996	4,691
Construction—				
Building Permits (Mar.)	$ 3,323,602	$ 9,948,979	$ 8,664,128	$ 24,746,094
Contracts (Apr.)	$ 10,112,900	$ 22,707,500	$ 48,420,500	$ 96,248,500
Newsprint—				
Production, tons (Mar.) ...	166,758	192,274	490,330	539,899
Exports, tons (Mar.)	171,650	200,545	487,008	498,143
Sugar—				
Imports, raw, lbs. (Feb.) ...	24,368,700	43,569,500	36,354,400	66,686,300
Manufactured, lbs.*	51,876,286	55,588,555	§105,448,206	123,180,425
Flour—				
Production, bbls. (Feb.) ..	842,123	1,035,383	1,693,315	2,121,655
Wheat flour exp., bbls. (Mar.)	414,779	560,553	1,084,098	1,367,582
Other Industrial Indices—				
Lumbering: Plank & board exports mill ft. (Mar.) ...	77.55	94.46	191.85	223.89
Boots & shoes, pr. (Feb.) ...	1,558,413	1,276,965	2,670,605	2,261,889
Petroleum, imp. crude, gal. (Mar.)	67,635,135	71,296,619	188,946,525	191,967,859
Cotton, imp., raw, lbs. (Feb.)	7,074,000	5,389,000	13,602,000	15,541,000
Rubber, raw, imp., lbs. (Mar.)	5,796,594	6,747,761	13,567,283	14,891,947
Coal, imports, tons (Mar.) ..	711,522	815,429	1,849,851	2,438,864
Trade—				
Imports (March)	$ 57,437,184	$ 75,380,878	$ 127,137,776	$ 176,743,280
Exports (March)	$ 39,749,307	$ 55,048,197	$ 114,547,061	$ 143,538,762
Wheat exports, bus. (Mar.).	9,921,634	12,995,567	29,292,343	32,901,022
Labor—				
Employment Index (Apr.) .	87.5	99.7	......	......
Electric Power—Output—				
M. Kilowatt hours (Feb.) .	1,329,734	1,338,987	2,749,333	2,827,708
Finance—				
Failures, No. (Feb.)	221	188	459	428
Failures, Liabilities (Feb.)..	$ 3,650,728	$ 4,789,701	$ 7,711,728	$ 8,760,380
Bank Debits† (Mar.)	$ 2,024,038	$ 2,570,411	$ 6,085,118	$ 7,773,649
Bond sales (March)	$ 35,667,127	$ 43,302,612	$ 102,854,282	$ 190,562,188
Insurance sales (March) ...	$ 27,467,000	$ 46,945,000	$ 112,943,000	$ 128,313,000
Automobile Financing:				
Used cars (Mar.)	$ 917,539	$ 1,653,402	$ 2,531,703	$ 4,380,306
New cars (Mar.)	$ 1,036,442	$ 1,889,774	$ 2,396,854	$ 3,720,330

*Four weeks' period, Mar. 5 to Mar. 26. §Jan. 1 to Mar. 26.

†(000's omitted).

‡Deficit.

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LEADING EXECUTIVES

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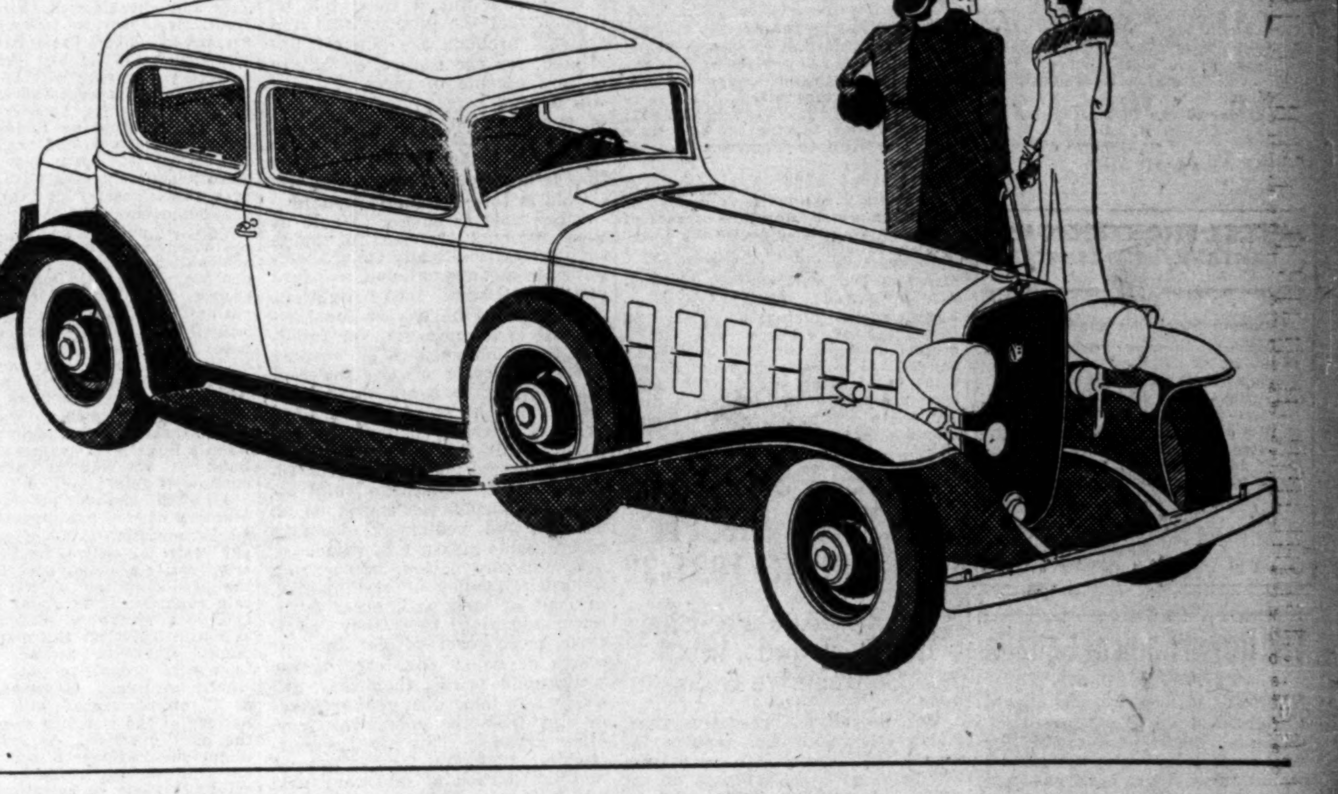

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NOTICES

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DIVIDEND NOTICES

DIVIDEND NUMBER 227

Hollinger Consolidated Gold Mines, Limited

A dividend of 1% on the Capital Stock of the Company has been declared payable on the 19th day of May, 1932, on which date cheques will be mailed to shareholders of record at the close of business on the 5th day of May, 1932.

DATED the 28th day of April, 1932.

I. McIVOR,
Assistant-Treasurer.

Borden's

COMMON DIVIDEND NO. 89

A quarterly dividend of seventy-five cents (75¢) per share has been declared on the outstanding common stock of this Company, payable June 1, 1932, to stockholders of record at the close of business May 14, 1932. Checks will be mailed.

The Borden Company
WM. P. MARSH, *Treasurer.*

The Canadian Bank of Commerce

Dividend No. 181

Notice is hereby given that a dividend of Three per cent in Canadian funds, on the paid-up capital stock of this Bank has been declared for the quarter ending 31st May, 1932, and that the same will be payable at the Bank and its Branches on and after Wednesday, 1st June next, to shareholders of record at the close of business on the 30th day of April, 1932. The Transfer Books will not be closed.

By Order of the Board.
S. H. LOGAN,
General Manager.
Toronto, 15th April, 1932.

McCOLL-FRONTENAC OIL COMPANY LIMITED

Common Stock Dividend No. 11

Notice is hereby given that a Dividend of 15 Cents per share, being at the rate of 60c per share per annum, has been declared on the no par value Common Stock of McColl-Frontenac Oil Company, Limited, for the Quarter ending May 14, 1932, payable June 15, 1932, to Shareholders of record at the close of business on May 14, 1932.

By Order of the Board,
FRED HUNT,
April 28, 1932. Secretary.

The Royal Bank of Canada

DIVIDEND NO. 179.

NOTICE is hereby given that a dividend of three per cent. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Wednesday, the first day of June next, to shareholders of record at the close of business on the 30th day of April.

By order of the Board.
M. W. WILSON,
General Manager.
MONTREAL, Que., April 15, 1932.

TRADE INDICES BELOW 1913 LEVELS

Indices For Exports Now Reduced to Level of Imports

Falling to 95.2 in 1931, the Dominion Bureau of Statistics price index number of commodities entering into Canada's combined export and import trade reached a new low since the index has been compiled on the 1913 base, this fall below 100 being the first occasion on which valuation averages have been below pre-war levels.

Due to the fact that the fall in value of raw materials which form the bulk of Canada's export has been more rapid than for manufactured goods which form the bulk of imports, the index number for exports has been reduced to practically the same figure as for imports although from 1925 to 1929 it was consistently 10 to 17 points higher. Individual figures for imports fell from 115.1 in 1930 to 95.3 while export figures fell from 116.8 to 95.2.

Index numbers for all export groups fell sharply during 1931, fibres and textiles influenced by lower wool quotations, showing the greatest loss with a drop from 89.4 to 68.0. Low grain and flour prices contributed to the drop in the index of vegetable products from 99.0 to 73.6 while reduced quotations on meats, fish, leather, etc. forced the animal products index from 145.9 to 118.3. Iron and its products remaining fairly steady falling only 1.2 points to 79.3 but non-ferrous metals were down sharply from 109.4 to 88.5.

Import groups also show declines in every case, fibres and textiles falling from 123.0 to 86.0. Other groups declined as follows: Animals and products 75.1 to 58.0; wood and paper 144.8 to 117.9; iron and products 99.4 to 92.6; non-ferrous metals 133.4 to 97.2; non-metallic minerals 117.2 to 100.6 and chemicals from 154.5 to 151.7.

B. C. PACKERS CUT INVENTORY REDUCE LOSSES

Will Re-appraise Fixed Assets When Values Stabilize

Drastic reduction in inventories is shown in the statement of British Columbia Packers Ltd. for the year ended Feb. 29, 1932, together with substantial drop in bank loans. Heavy inventory brought forward from 1930 was almost entirely sold but at a considerable loss due to decline in prices, and the company had an operating loss of $290,607 for the year as compared with a loss of $897,377 in the previous year. The loss adversely affected working capital position.

In addition to the operating loss, interest on loans amonted to $161,072 and $379,018 was written off inventories, and these items with other charges bring total loss for the year to $900,131 and increased the deficit carried forward to $1,659,760. Operations were curtailed in 1931 and operating expenses greatly reduced. A medium-sized pack is expected for 1932. No provision was made for depreciation or losses on properties dismantled or disposed of during the year. The consolidated deficit and profit and loss account of the company is shown as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended

	Feb. 29 1932 $	Feb. 28 1931 $
Loss on operations ..	290,607	897,377
Add: Interest on loans	161,072	....
Interest on bonds ..	25,613	27,858
Dismantling & moving machinery ..	11,085	....
W/o inventories ..	379,018	....
Assets conveyed to settle contract est.	32,735	....
Prov. for taxes ...	....	25,000
Maint. & renewals .	....	315,803
Loss for year	900,131	1,266,038
Add: Divd. on B.C. Packers pfd. stk....	....	207,669
Divd. on Gosse pfd.	....	1,181
Deficit for year	900,131	1,474,888
Prev. surp. or deficit	759,629	715,259
Deficit forward	1,659,760	759,629

Current assets are shown at $1,051,593 and current liabilities at $1,425,269, leaving a debit balance of $373,676. Inventories have been reduced to $851,779 from $4,086,719 and bank loans to $464,000 from $3,042,000. Cash is shown at $16,391; sundry debtors at $164,295 and prepaid insurance premiums at $19,129. In addition to bank loans there are bills payable of $832,567 as in the previous year while sundry accounts payable are down to $128,701 from $372,593.

Working Capital

	Feb. 29, 1932 $	Feb. 28, 1931 $	Feb. 28, 1930 $
Current assets	1,032,464	4,430,423	3,144,364
Current liabs..	1,425,269	4,318,093	1,602,129
Work. capital	*392,805	112,330	1,542,285
Ratio	0.72—1	1.02—1	1.96—1

*Excess of current liabilities over current assets.

Land, buildings, plant and machinery are shown at $6,842,171 after depreciation reserve of $2,221,263. Fixed assets decreased by $194,623 and it is stated that as soon as sound true values can be arrived at it is the intention of the directors to have fixed assets reappraised. Interest in allied company is shown at $28,952; and cash with trustee for debenture stock of Wallace Fisheries Ltd. is $2,245.

Interest of minority shareholders in subsidiary companies is carried at $26,436 on which there are arrears of dividends amounting to $6,569. There is also $373,000 of 6 per cent first mortgage debenture stock of Wallace Fisheries Ltd. outstanding, a reduction of $20,600. Reserve for contingencies is increased to $90,216 from $29,968. There are 39,395 preferred shares of $100 par value and 277,556 common shares of no par value outstanding. Contingent liabilities amount to $301,400 while dividends are accumulative on the preferred stock since Oct. 1, 1930.

TUCKETT SHOWS BETTER PROFIT DURING 1931-32

Earned $36.65 Per Share of Preferred; Sixth Consecutive Gain

For the sixth consecutive year, Tuckett Tobacco Co. reports increased net profits, after provision for taxes and depreciation, an increase in working capital and an increase in surplus carried forward. In the year ended March 31, 1932, this subsidiary of Imperial Tobacco Co. of Canada had net profits of $732,944 available for dividends and after payment of 7 per cent dividends on the $2,000,000 of preference stock and dividends of 12 per cent on the $2,500,000 of ordinary shares the company increased surplus account by $292,944 to bring surplus carried to $2,469,642. Public interest in the company is confined to the preferred stock which earned $36.65 per share as compared with $36.45 in the previous year.

Working capital was increased to $4,016,476 while inventories are down by some $380,000 to $2,753,508, bills and accounts receivable at $912,092 and cash at $801,099 show substantial increase. At the end of the previous year, cash stood at $136,555. Increase in current liabilities is due in part to increase in provision for taxes and increased dividends payable. The comparison of working capital position in the past two fiscal years is as follows:

Working Capital

	1932 $	1931 $
Current assets	4,466,699	3,968,358
Current liabilities ..	450,223	351,699
Working capital	4,016,476	3,616,659
Ratio	9.92—1	11.28—1

Fixed assets at $1,528,869, are practically the same as in the previous year while reserves for buildings, machinery, etc., are shown as a liability of $1,061,149 as compared with $974,580 in the previous year. Contingent reserve remains at $20,000. Goodwill and trademarks remain at $2,478,672. The company has outstanding 20,000 shares of $100 par value preference stock and 25,000 shares of $100 ordinary stock, the latter being all owned by Imperial Tobacco Company of Canada, Limited. The income and surplus accounts for the past two years is compared as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended March 31

	1932 $	1931 $
Net profits*	732,944	729,016
Less appropriations:		
Preference divds. ...	140,000	140,000
Ord. divds.	300,000	150,000
Surplus for year	292,944	439,016
Add: Prev. surplus .	2,176,698	1,737,682
Bal. carried forward.	2,469,642	2,176,698

*After providing for taxes and depreciation.

World Action Needed To Stabilize Prices

Essayist Thinks Central Banks Could Do Much to Improve Individual National Situations But Must Collaborate to Improve World Price Level

By J. F. CLARK
McGill University
(Winning essay in Royal Bank Graduate Fellowship in Economics, 1932)

Sir Josiah Stamp has stigmatized the instability of the value of the monetary unit as the greatest evil of our time. The recent catastrophic fall in prices has shaken the very foundations of our social, political and economic structure. It is absolutely imperative, if modern civilization is to endure, to solve the problem of preventing drastic changes in the price level.

Although the cause of the present world distress is due chiefly to the mal-functioning of gold as an international standard of value, there appears to be no other universally acceptable medium that offers a more satisfactory alternative. A proposal has lately been advocated of stabilizing the value of sterling and forming a "sterling block" of countries in which sterling exchange not convertible into gold would be the standard of value, but at best it seems only a temporary expedient to overcome the existing financial dilemma of the nations which were recently forced off the gold standard.

Problem Centres on Gold

In view of the fact that world opinion is still obsessed by the notion that gold is the most desirable form of wealth, and that an international standard is essential for a steady expansion of foreign trade, gold will continue to be the universal medium for international exchange transactions, in spite of its acknowledged misbehavior in this capacity. The problem is, therefore, one of concentration on how to improve the financial structure of the world, using gold as a base, and that is essentially a matter of economizing the use of gold, if the world is to be freed of the burden of a continuously falling price level and the ill-effects of trade cycles.

The phenomena of the trade cycle are also intimately related to the control of credit. Any policy of price stabilization will be concerned, then, with two main factors: economy of the use of gold, affecting chiefly the secular trend of prices; and the control of credit, affecting the cyclical price movements. The former is an international problem, while the latter is concerned more with national considerations. But it must not be implied that the international and national problem are entirely unrelated, for the success or failure of any scheme of price stability will depend largely on the degree of co-ordination that is achieved between the use of gold in its international capacity and its function as a national currency base.

Gold is International Standard

When nations adhere to gold as their national standard of value they are automatically tying themselves to an international standard and they incur the obligations necessary for its proper functioning. It is the necessity for fulfilling these obligations of keeping the price levels of the different countries in harmony that definitely limits the scope of a national price stabilization policy based on gold, and it means that the separate national policies must be co-ordinated if gold is to fulfil its two-fold purpose of acting as an international medium of exchange and a stable measure of value.

Should any nation, in pursuing a national policy of stabilization, get out of step with other countries, meaning that they allow their price level to get too far above or below the level of the world gold prices, then they will either lose their own gold reserves or else drain the gold away from other nations. This gives a reasonable explanation for the present mal-distribution of monetary gold which is one of the fundamental causes of the present world wide depression. The two creditor nations, the United States and France, possess between them over 70 per cent of the total monetary stock of gold, while the United States alone possesses about 40 per cent, leaving the rest of the world practically impoverished and unable to resume the gold standard.

Must Eliminate Gold Drain

If the world is to get back to the gold standard again the causes of the present drain of gold from the debtor nations to the two creditor countries, the United States and France, must be eliminated, for otherwise the flow would only continue. Another reason for this mal-distribution of gold is the common desire of France and the United States for liquid claims in the form of gold in preference to commodities in payment for debts owing them which are, for the most part, wars debts and reparations. Both nations have reinforced this attitude by high tariffs against the debtor countries. It means then that the debtor nations, which have huge payments to make on account of war debts and reparation indemnities, must pay in gold or borrowed funds of the creditor nation. Had the United States, as a large creditor country, been more regular in placing funds at the disposal of the debtor nations, especially Germany, there would not have been the same need for large payments in gold. Much of the instability of international finance must be attributed to the irregularity of foreign loans made by the United States. Then again, as already alluded to, the Federal Reserves Board, in pursuing their policy of stable business conditions and stable prices, neglected to fulfill their obligation of keeping their price level in harmony with that of other countries.

From a consideration of the causes that are responsible for the present mal-distribution of gold it is apparent that if the gold situation is to be improved the attitude of France and the United States toward gold must be changed. If they demand full payment of war debts and reparations, which are now exceedingly burdensome for the debtor countries because of the great fall in prices, they must be prepared to accept their goods, and that means lowering their tariffs, or else they must be willing to make loans on a large scale, which is of course quite consistent with their position as large creditors. The only alternative appears to be scaling down of war debts and reparations, or even repudiation.

How to Economize Gold

Since the present distribution of gold has the effect of starving most of the nations, and as the anticipated future production of gold will fall short of monetary requirements, the problem of economizing gold, both to prevent the perpetuation of the present low price level and a possible fall in the future due to a shortage of new gold supplies, warrants the earnest consideration of the entire world.

One of the most fruitful possibilities of economizing gold is in the further extension of the gold exchange standard. The Genoa Conference of 1922 envisaged an increasing demand for gold and recommended the gold exchange standard as a means of limiting the monetary demand for the metal. Although the exchange system was adopted by many European countries it failed in its purpose because of the voracious desire of the exchange nations for gold. Those nations which adopted the gold exchange standard did so merely as a temporary expedient to alleviate their straitened reserve position, for their ultimate object was to resume the gold standard proper, with the result that there was an unabating demand to replenish their depleted stocks. There is much scope for further investigations of the gold exchange standard.

Reduction of the legal or customary ratio of gold reserves to note and deposit liabilities offers another opportunity to save on gold. There appears to be a grave misconception on the part of governments and banking authorities as to the true purpose of gold reserves. If they could be convinced that the value of a currency is determined by factors quite distinct from the amount of gold backing and be induced to accept the more advanced theory that the sole purpose of a gold reserve is to act as an emergency store of wealth to settle a temporarily adverse international balance of indebtedness, until measures could be taken to readjust the balance, then the minimum reserve ratios could be abolished or at least be considerably reduced. These minimum reserve requirements have the effect of immobilizing immense quantities of gold and checking the expansion of credit. It appears an immense task at present to convert the entire world to accepting this theory, but future monetary progress will be aided or hindered by its acceptance or rejection.

If such disturbing factors as war debts, reparations, and the irregularity of capital movements could be more adequately controlled, it would ease the necessity of making large gold shipments and thus reduce the amount of gold needed to meet such contingencies. The Bank for International Settlements could, by expansion of its credit facilities, greatly reduce the flow of gold between nations. Instead of shipping gold a central bank would arrange a credit with the Bank for International Settlements for the account of the central bank to which it is indebted. This function of the Bank for International Settlements was amply demonstrated in the summer of 1931 when a huge loan was granted to the Bank of England to prevent the outflow of gold.

All of the methods proposed for the economy of gold pre-suppose peaceful world conditions and a willingness and desire of central banks and governments to economize its use. But if the predominating objective of certain countries is to amass and hoard gold as a symbol of national wealth and prestige, then the benefits that might otherwise accrue from attempts to economize gold would be wholly nullified. However, it looks as if circumstances will force the nations of the world to co-operate on the gold question. As long as the disturbing influences are operative on international finance and no effort is made to co-operate on the necessary measures to economize gold, there is little hope for improvement in world economic conditions and a policy of price stabilization is out of the question.

Use of Central Banks

The relation between money, credit and prices is given by the quantity theory of money. In its simplest form the quantity theory states that the purchasing power of money varies inversely with the quantity put into circulation. This is on the assumption that the velocity of circulation and the quantity of commodities to be exchanged do not vary. Original adherents of this theory believed there was an exact mathematical relationship between the amount of currency and credit and the quantity of commodities, but it is now recognized that this relationship is considerably distorted by the reaction set up when the volume of credit is increased or diminished. Most writers have been content to say that the velocity of circulation is more or less constant, being determined largely by custom, but it is becoming increasingly evident that it changes considerably owing to business psychology —when the outlook is hopeful or when it is depressed.

Central banks are a recent evolution in the banking systems and their establishment has greatly improved the control of credit and, to a lesser degree, prices. The mechanism by which the Central Bank regulates the volume and value of currency is the bank rate for re-discounts and their open market operations. Through the bank rate, the central bank regulates the price of borrowed funds to members of its system and the rate is made effective by means of buying or selling securities on the open market. In normal times the central bank is enabled, through the agency of these two powerful facilities, to regulate and control the volume of currency and credit and the market rate for borrowed funds.

Other Factors Important

If prices of commodities depended solely on these two factors then one might be justified in saying that a central bank could control the price level, for it could regulate the quantity of currency and credit to suit its will, but the Rt. Hon. Reginald McKenna has drawn attention to two other factors affecting the price level over which the Central Bank has no direct control. They are the rate at which money circulates and the use to which the money is put.

When business is buoyant prices tend to rise because of the increased rate at which the money is spent; and in slack times, when the business horizon is unsettled, there is considerable reluctance on the part of the public to buy and this has a depressing effect upon prices. The question of the use to which the money is put is also very important. An individual can spend his income on consumable goods, or invest in capital enterprises, or participate in stock market speculation. It was the fact that the Federal Reserve Board was unable to control the flow of funds into stock market speculation that was the basic reason for the market boom, and the subsequent crash with attendant fall in commodity prices. The Federal Reserve board had been quite successful in their policy of maintaining steady business conditions and stable prices until an abnormal amount of money was diverted to security speculation, which they were apparently powerless to prevent.

Thus in normal times the central bank can exercise a considerable measure of control over the quantity of currency and credit and so over the price level, but its control is considerably modified when spending habits of the public change. As long as the central banking authorities keep a careful watch on the business psychology and take early action to prevent a speculative mania from developing, there is reason to believe that the central bank could, with shrewd management and prompt and courageous use of the facilities at its command, exercise adequate control over the price level to assure a steady expansion of trade and prevent the abnormal boom and depression phases of the credit cycle.

Must Start Early

But once they allow the situation to get out of hands the expedients at their disposal lose much of their effectiveness. When a boom is well under way and speculation is rampant, only extreme drastic action by the central bank will bring a reversal in the trend, and when it does take effect the reaction will be severe and may even plunge the nation into the depths of a depression. The central bank is powerless to prevent a sudden fall of prices if the boom has been allowed to feed on itself. After the price level has settled down to a new low and business is at a standstill, it is probable that the central bank could start a revival by a determined policy of purchasing government securities on a large scale and making credit easy. But the essence of the problem of credit control, and so indirectly of the control of business activity and prices, by a central bank, is to take action in time to nip any unhealthy economic condition, such as inclinations toward an excessive speculative movement or over-activity in the new investment market before it develops beyond control.

A national policy of price stability of a country on the gold standard is definitely limited by international considerations; that is, the necessity of keeping prices in harmony with other nations in order that the balance of indebtedness, as indicated by the exchange rates, will be kept in equilibrium. It is also limited by legal reserve ratios, if a legal or customary minimum reserve is required. A minimum ratio sets a definite limit to the total amount of currency and credit that a central bank can create, but it has the redeeming feature of acting as a check to over-expansion of credit. Within these limits, however, the central bank has fairly wide scope for pursuing a policy of stable prices. It would appear that the best policy to adopt would be one with the dual aim of maintaining stable prices and also stable business conditions.

Reliance on Index Number

The main criterion to be used to guide the central bank authorities in their price stabilization policy would be the best index number of prices that could be contrived for the purpose of measuring the purchasing power of the currency. But too much trust must not be attached to this sole criterion; index numbers are not altogether reliable. The central bank should not be made responsible for keeping the price level within definite limits of a selected index number for the facilities at their disposal are not adequate to exercise complete control over prices. In fact it is very doubtful if it would be desirable to keep prices fixed at a definite level. Circumstances may alter the situation to such an extent that in the interest of expediency it might be necessary to allow prices to move considerably from the selected level. Much must be left to the discretion and judgment of the controlling authorities. The degree of success they will achieve will depend upon their skill in interpreting the various criteria, and the promptitude with which they exercise the expedients at their command, so the necessary retardation or stimulus will be given to industrial activity.

As long as a country is adhering to an international standard it means that the general secular trend of prices will have to follow the trend in other countries, and the degree of stability of the value of gold, which will be the main factor influencing the long term trend, will depend largely on the success of the measures taken to economize the use of gold and to co-ordinate the different national policies so that no nation will allow its price level to get out of harmony, as did that of the United States, and so upset the whole scheme of price stabilization.

It is essential to stress the need of co-operation of central banks in an effort to collaborate on the gold question and to co-ordinate the national policies. The Bank for International Settlements provides a meeting place where central bank authorities can convene, and possesses the facilities for working out a solution for the world's financial ills. If there were wholehearted international co-operation then much could be expected of a deliberate policy of price stabilization.

BUSINESS FAILURES HIGHER IN MARCH

Number Less Than 1931 But Liabilities Are Increased

Of the 208 failures with liabilities of $4,530,000 listed by Bradstreet's for March, 141 with liabilities of $1,691,000 were retail organizations, 28 with liabilities of $1,234,000 manufacturing, 20 with liabilities of $796,000 commercial service, and 18 with liabilities of $765,000 wholesale and jobbing. Bradstreet's also lists one "bank" with liabilities of $44,000 but no information is available regarding this failure. Needless to say, this is not a Canadian chartered bank.

Compared with the same month of 1931, failures are five less in number and $825,000 greater in amount of liabilities, retail being approximately the same, wholesale and jobbing eight greater in number but $518,000 less in liabilities, manufacturing seven greater in number and $600,000 less in liabilities and commercial service five greater in number and $599,000 greater in liabilities.

For the three months ended March 31, 1932, total failures were 701 with liabilities of $13,805,000 as compared with 761 failures with liabilities of $10,917,000 in the corresponding months of 1931.

Metal Prices

New York—May 3—
Copper: Electrolytic spot, 5⅝c. to 5⅞c. lb.
London—May 3—
(Long Ton)—
Copper: Electrolytic spot, £34 5s; future, £35 5s.
Standard spot, £30 5s; future, £30.
Tin: Spot, £119 15s; future, £121 15s.
Lead: Spot, £11 15s; future, £12.
Zinc: Spot, £12 15s; future, £13.
Silver: 16 9-16d. per ounce.

BREWERS & DIST. PROFIT IS LOWER; BANK LOAN DOWN

Working Capital Higher; Surplus is $2,475,693

Brewers & Distillers of Vancouver Ltd. had a consolidated operating profit of $466,110 after depreciation in 1931 as compared with $1,141,499 in 1930, but after payment of bank interest and income tax, write-off of organization expenses and inventory adjustment of $323,314, the company sustained a loss of $69,060 as compared with 1930 profit of $867,380. Surplus carried forward is shown at $2,475,693 and working capital position was improved.

During 1931, the company in conjunction with other Canadian distilleries brought out the Sarnia, National, and Lindsay distilleries. Inventories of spirits and supplies so obtained have been cut down to present market values. Consumption of beer in British Columbia fell off during 1931 and prices paid by the government liquor boards were reduced. Decrease in revenue from this source was only partially met by economies in administration. The president's statement points out that despite difficult conditions existing during the past two years, the company has paid off bank loans to the extent of $1,115,999, has eliminated three competitors by joining in their purchase and increased stock of spirits on hand by 278,862 gallons.

Working Capital Up

During 1931, the company increased working capital to $3,659,412 from $3,572,712 largely through reduction of bank loans which were reduced to $357,038 from $815,433. Reduction in current assets is largely on account of inventories which are carried at $3,832,477 against $4,243,908 the previous year. Cash is shown at $20,368 and accounts receivable at $564,048.

Working Capital

	1931 $	1930 $
Current assets	4,416,893	4,862,498
Current liabilities ...	757,481	1,289,786
Working capital	3,659,412	3,572,712
Ratio	5.81—1	3.77—1

The statement shows deferred charges amounting to $24,867 and investments at cost of $27,543. Land, buildings, plants, machinery, etc., are carried at $3,297,151, after reserve for depreciation for which $134,163 was provided during 1931. Liabilities other than current include a reserve for contingencies amounting to $18,790. There are 5,777,478 shares no par value outstanding in the hands of the public, carried in the balance sheet at $4,514,494. Consolidated income and surplus account of the company for the past two years is as follows:

CONS. INCOME AND SURPLUS ACCT.
Years Ended Dec. 31

	1931 $	1930 $
Net earnings*	466,110	1,141,499
Less: Bank interest..	40,191	83,539
Income tax	135,155	154,073
Organ. exp. w/o .	36,510	36,507
Inventory adj.† ...	323,314	....
Net profit	‡69,060	867,380
Add: Prev. surplus .	2,544,753	1,677,373
Balance carried fwd.	2,475,693	2,544,753

*After depreciation.
†Amount provided to reduce the cost of certain spirits to approximate market price.
‡Loss.

Photo Engravers Dividend Earned

Photo-Engravers & Electrotypers Ltd. is reported to have earned dividends during the year ended February 29, 1932, although increase in surplus account will depend upon the treatment of reserves covering extraordinary expenditures made during the year. The annual statement, which will be available within the next two weeks, is expected to show a satisfactory current position. In the year ended February 28, 1931, the company earned $2.95 per share on 30,000 common shares outstanding. The dividend rate of $2 per share has been maintained since initial payment in 1928.

During 1931, the company entered into a 10-year contract with Robert Simpson Co., moved its plant to new quarters and materially increased equipment. Stock of the company, which sold as high as 19½ in March, recently sold at 12, lowest point of record.

DUKE-PRICE CO. ARRANGES PLAN CARE FOR NOTES

Syndicate Formed to Take Up Issue and Hold Until 1935

From Our Own Correspondent

MONTREAL.—Maturity date of $3,500,000 of 6 per cent 5 year notes of the Duke-Price Power Co., which fell due on April 15 last, has been for all purposes extended for another three years.

This was effected by the formation of a syndicate representative of the company's large shareholders, such as Aluminium Ltd., various Duke interests, Shawinigan Water and Power, and Price Bros. and Co., which appointed the Guarantee Trust Co. of New York to act as its agents to purchase notes as presented by public holders for redemption.

Will Hold Notes

These notes were turned over to the respective syndicate members who will hold them as an investment until April 15, 1935, thus relieving the company of the necessity of having to make a heavy cash outlay this year.

Little information is available on these five year notes, other than that they were issued in 1927, about which time the company was completing its power development at Ile Maligne. The notes were offered privately, a limited number being sold in this country.

Gold Exports to U. S. Continue

During the week ended April 27, 1932, Canada exported gold to the value of $1,998,000 to the United States, according to official figures released in the United States. Exports of gold from Canada for the two previous weeks were valued at $998,000 and $2,997,000 respectively.

Appointed Manager

Hemphill, Noyes & Co., members of the New York Stock Exchange, announce that Herbert K. Patterson has been appointed manager of their Toronto office.

ANGLIN-NORCROSS SUCCESSOR ISSUE INTERIM REPORT

Balance Sheet Sets Forth Position at End of October

From Our Own Correspondent

MONTREAL.—Profits of Anglin-Norcross Ltd. for the seven months ended October 31, 1931, totalled $95,462, from which dividends of $24,760 were paid, leaving $70,702 to be added to profit and loss balance. This applies to the old company, the initial statement of the successor company will not be available until the end of its fiscal year on February 28, 1933, when a sixteen months statement will be issued.

Anglin - Norcross Corporation Ltd., the new company, has issued a balance sheet as at October 31, 1931. Full particulars of the sale of Anglin-Norcross are given. It will be recalled that the sale was made for $1,338,800, payable as follows: $650,000 in cash; $656,000 by 65,600 5 per cent non-cumulative redeemable preferred shares of the new company of $10 par value; and $32,800 by 6,560 no par value common at valuation of $5 a share.

Purchase Price Distributed

The price received was distributed to shareholders of Anglin-Norcross Ltd. as follows: to preferred shareholders, for each share held $102.33 in cash; to each common shareholder $50 in cash, plus 10 shares of preferred and one new no par value common share.

The balance sheet of Anglin-Norcross Corporation Ltd. shows the following working capital position:

Current assets	$1,833,373
Current liabilities	1,480,159
Working capital	$ 353,214

Since October 31, 1931, an item of $650,000 included among current liabilities and representing balance due on account of Anglin-Norcross purchase has been liquidated.

Assets Are Unchanged

Total assets are shown at $2,328,452, which is the same as that reported for the old company, less $32,800 written off and shown as goodwill in the old report. Plant, etc., is carried at $184,386 and equipment $310,693. The balance represents current assets.

Among liabilities, aside from current, reserves amount to $159,492. Preferred stock is shown at $656,000 and common stock at $688,800.

Directors of the new company include G. W. Birks, H. J. Gross, C. D. Harrington, J. P. Anglin, A. O. Dawson, W. S. Leslie, A. H. Vipond and D. G. Ross.

No dividends have been paid by the new company.

Rumor 2 New Sixes to Compete With Ford

According to Business Week, New York, automobile parts manufacturers in the United States have had definite reports that, within a month or so, two new cars, priced below the present Ford levels, will be on the market. The only available information regarding the manufacturers is that one car will be produced by a large well established firm and the other by a smaller but highly aggressive concern.

It is understood that both the new cars will be 6-cylinder jobs assembled with only the barest essentials in order to meet the demand for the cheapest possible transportation.

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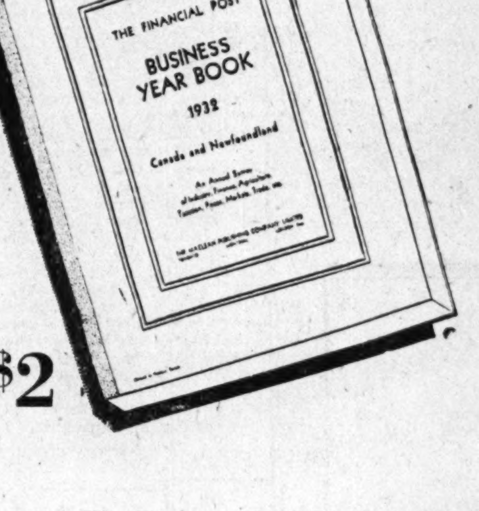

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Your Investments

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Calgary Power

Can you tell me why the preferred shares of Calgary Power Co. have weakened to levels of about half that of the common stock. I am told that the preferred changes hands around 65 while I notice the common is listed at 125.

The difference in quotations on the preferred and common shares of Calgary Power Co. is due largely to a market condition. Though the common stock is listed on the Montreal Stock Exchange it very seldom is traded in and the price 125 you mention is the old pegged price and consequently can hardly be said to reflect a truer market value. Since the peg was removed no shares have come out in trading; so it is not possible to state a current price for the stock.

The preferred stock, on the other hand, commands a more active market. Though the shares are not listed on an exchange they change hands more frequently than the common and at prices of around 65-70 have fallen in line with current market values for securities of this type.

In other words, the price of the preferred stock does not indicate weakness so much as the quotation of 125 on the common indicates a possibly fictitious value.

Bell Telephone

I notice that shares of Bell Telephone Co. are selling at a lower level than they have for years, and I am rather worried regarding my holdings. Why has the stock dropped like this; is it a safe investment?

One cause of the market decline in shares of Bell Telephone Co. of Canada is the general weakness prevailing on all stock exchanges. As you know, even the most conservative stocks have not been immune from the general depression in values; not since 1921 has Bell Telephone stock sold below par.

Another factor is probably due to the doubt of some investors of the company's ability to maintain dividends at the present rate of 8 per cent. Earnings last year were slightly below dividend requirements and it is doubtful whether revenue will show much improvement during the current year. The fact that the company has an unbroken dividend record of some 40 years is encouraging, though naturally it cannot be taken as a criterion in these times In the past, however, the Board of Railway Commissioners has allowed the company to adjust its rates so that it is able to earn 8 per cent on its stock; again, however, there is no criterion that this will be the case in the future. The company has an excellent record and it should be able to realize quickly on the expansion it has carried out in the past few years, when business conditions improve.

Drummond St. Realty

Among my holdings are some bonds of Drummond Street Realty Corp. on which interest has been defaulted. The first notification I got of this was an article in The Financial Post; should not bondholders have been informed direct by the company? Why have earnings of the hotel fallen off so badly? Has a protective committee been formed?

Hotels throughout the country are faced with a difficult situation. Not only has patronage from Canadian travellers decreased, but the most important source of revenue, the tourist business from the United States, has declined sharply. The LaSalle Hotel, operated by the Drummond Street Realty Corp. is possibly more dependent on tourist patronage than the larger hotels and our understanding is that revenue has suffered accordingly.

When the present situation became apparent, advertisements were published in the newspapers to the effect that bondholders of the company would be asked to meet on January 22, 1932, to approve certain proposals including postponement of interest and sinking fund. Unless your bond is registered the company has no other method of getting in touch with you.

Our understanding is that no bondholders protective committee has been formed as yet.

Canadian Financial Founders

Who are the men behind Canadian Financial Founders, Ltd., and how long has this company been in business?

I would also like to know what chance there is for the average investor to reap the accumulations mentioned in their folder.

Canadian Financial Founders Ltd., was formed in the latter part of 1930 but an active sales campaign did not get under way until early in 1931. On formation of the company, the board of directors included J. W. Norcross, former president of Canada Steamship Lines, Senator N. Currie, who has since died, J. E. McLurg, vice-president of British Empire Steel Corp., J. A. Mann, K.C., a director of Crown Trust Co., and C. B. Grier, a member of the Montreal Stock Exchange.

The figures you refer to on the third page of the prospectus have little application at the present time since they are based upon hypothetical results from a period in which there was abnormal market appreciation in stock prices. It is upon experience in the next ten years that investors must depend for results and there is no possible way of forecasting what the results of the Canadian Financial Founders plan will be at the end of ten years.

It should be understood by the investor that the stocks picked for inclusion in the portfolio of Diversified Trustee Shares, Series "C," are not only stocks of the strongest corporations, but also stocks that have shown good appreciation over the past ten years. At the first part of the ten year period, it is probable that many of the stocks included in the portfolio at the present time would not have been considered. On the other hand, stocks picked in 1930 are not necessarily the ones that will show the greatest appreciation in the next ten years although the theory is that out of 50 high grade stocks, one gets sufficient diversification to offset losses which may be incurred on three or four. There has, of course, been very drastic and unforeseen changes in corporation earnings since this fixed trust was set up.

The Canadian Financial Founders' plan involves periodic payment over a ten year period, and the investor should be prepared to follow the plan through to completion in order to get best results. Withdrawal after one or two years would result in a comparatively small return on the money invested.

It must also be considered that one is paying a loading charge to both Canadian Financial Founders and to Diversified Trustee Shares and that the shares can be bought direct at a lower cost, but of course, such purchase would not include insurance protection. Another point which might be considered is that the insurance protection is only for 60 or 90 days and must be renewed by Canadian Financial Founders. This, of course, would be done in the normal course of events but if for any reason Canadian Financial Founders, Ltd., was not doing business, insurance protection would lapse due to lack of sponsorship.

Dominion Coal

On reading the statements and balance sheet of the Dominion Coal Co. for 1931 and noting that the new holding company owns all of the common stock and 6 per cent income bonds, the question arises whether the preferred stock holders are not in a rather unfair position. The holding company, by owning all of the common stock, can, and has, created a structure of bonds, etc., that ensure them the ownership of the properties somewhat at the expense of the preferred stock holders. They have also authorized and issued, but hold in the treasury $5,000,000 more first mortgage bonds. This puts the preferred stock holders still further in the background.

We have read with interest your letter on the Dominion Coal Co. While it is quite true that the Dominion Steel and Coal Corp. owns all the common stock and 6 per cent income bonds of the Dominion Coal Co., it does not follow that the holding company, by virtue of its ownership of the common stock, can and has created a structure of bonds to the disadvantage of the preferred stockholders.

It might be pointed out that the present funded debt capital structure of Dominion Coal Co. came into existence long before the formation of the British Empire Steel Corp. and in turn the Dominion Steel and Coal Corp. In other words, the original holding company and its successor have in no way altered the capital structure of Dominion Coal Co.

The first mortgage bonds of Dominion Coal Co. were issued in 1905 and under the provisions of the trust deed, no additional mortgage bonds can be issued without approval of the holders of the first mortgage bonds. The cumulative income bonds were created in 1912 and do not represent a mortgage on the physical assets of the company, but are a preferred claim against the earnings. The present capital stock has remained unchanged since 1905.

You will see from this brief summary that no change has taken place in the capitalization of Dominion Coal for many years. Further, in reference to the statements you make to the effect that the holding company, by owning all of the common stock, can and has created a structure of bonds, we might point out that no additional mortgage can be placed on the company's property without consent of at least 51 per cent of the preferred shareholders.

Bonds or Annuity?

A widow, age 45, no children, has approximately $10,000 to invest and it was thought advisable at the present time to purchase Dominion of Canada bonds for the entire amount. She will also have for income a life annuity of $35 per month from Compensation Board, which with the interest from the bonds and a small income from house rental will be sufficient for her ordinary needs.

The first thought was to invest about half the amount in a Dominion annuity and the balance in bonds, but with the depressed prices of bonds at present time it was felt better to buy all bonds and at a later date when bond prices may have improved to consider the annuity.

Will you please advise if you think the above arrangement sound, at the same time pointing out any suggestions for improvement? Would you suggest long or short term bonds or buy for maturity at intervals?

The success of your plan to buy Dominion of Canada bonds at the present time, and to defer purchase of a Dominion of Canada life annuity until such time as high-grade bond prices have shown substantial improvement, would depend upon improvement in bond prices and to this extent there is an element of speculation. Throughout most of its history, however, Dominion of Canada bonds have sold at prices to yield well under 4½ per cent, the only exceptions being the war and post-war periods from 1915 to 1924 and during the past seven months.

On the basis of present Dominion of Canada life annuity rates, the woman, aged 45, could purchase an annual income payable quarterly of $650 on payment of $9,964. At the present time Dominion of Canada 4½ per cent Conversion Loan bonds, maturing November 1, 1956, are selling at 89½ to yield 5.28 per cent to maturity, or an immediate cash income of slightly over 5.02 per cent. Therefore at the present time $9,845, plus a small tax, would buy bonds of this issue with a face value of $11,000 from which the annual return paid semi-annually would be $495. The difference in immediate annual cash return between life annuities and bonds would therefore be $155.

If we can suppose that Dominion of Canada bonds would be selling on a 4½ per cent basis by 1936, which is far from impossible, the bonds could be sold then at face value of $11,000 which would give a gross profit for the four years of $1,155 or $288 a year. On this basis the investment in bonds would have returned $783 per year over the four years or $133 per year more than the annuity.

While it may appear reasonable to expect such an improvement in bond prices, none can say what will be the case in any particular future year, and a date is only mentioned here as forming a basis for computation. The investor would be 49 years old in 1936 and at that age $1,445 will buy a life annuity of $100 at the present rates. The $11,000 received from sale of the bonds if invested in a life annuity would bring an annual return of $750 on payment of $10,845, leaving a balance of $155. This would, of course, depend upon the present Dominion of Canada Life Annuity rate remaining unchanged until 1936, which is the second speculation involved in your plan.

On the basis of the above figures it will be seen that the annual return of the annuity purchase of 1936 would be $100 per year greater than if the annuity had been purchased in 1932 if your expectations are realized as to growing value of government bonds and if present annuity rates remain unchanged. In addition, the bond purchased at the current price in 1932 costs $119 less than the annuity purchased in 1932 and upon sale of the bonds and purchase of annuity in 1936 there would remain a difference of $155 or a total of $274 in cash that would not otherwise have been available. The computation would, of course, vary according to the time elapsing before bonds show a 4½ per cent yield. It might be in 1934 or 1935 or perhaps not until 1937 or 1938.

If this plan were followed it would be advisable to buy a long term bond with a 4½ per cent or four per cent coupon rate, since there would be greater appreciation in price with any reduction in bond yields. It would probably be advisable not to invest all funds at one time but to make commitments depend upon conditions existing during the remaining months of 1932. Since the investment would be made in Dominion of Canada bonds with a definite purpose in view — that is, selling when the bonds reach a 4½ per cent yield basis—it would not be necessary to diversify the investment among various issues. Investment in short term issues would not make the plan feasible.

West Kootenay

Please give me some information on progress of West Kootenay Power and Light Co. last year. I hold some of the first mortgage bonds and am interested to know if interest was earned in 1931 and what prospects are ahead of the company.

Though gross earnings of West Kootenay Power and Light Co. in 1931 were lower than those of the previous year, reductions in operating expenses enabled the company to show a gain of $45,000 in operating earnings, which totalled $1,845,972. After provision for depreciation, bond interest was earned 3.81 times; in the previous year it was earned 7.65 times. The greater part of the company's output is sold to Consolidated Mining and Smelting Co. of Canada, and though reduced activity in that company's plant has tended to lower its demand for power, it will be seen that West Kootenay had little trouble in covering its charges. Earnings of West Kootenay Power in the past have been ample to cover interest requirements and an improvement in operations of Consolidated Smelters should find reflection in future earnings.

Gleneagles

Have you any information on Gleneagles Investment Co. as regards earnings last year? Has the company published a financial statement? What are its bonds quoted at?

No figures on earnings of Gleneagles Investment Co. for 1931 have been published. Our understanding is, however, that revenue was sufficient to cover all charges, interest payments, and sinking fund requirements. Relatively few rentals expire on May 1, 1932, though there are quite a number of expirations in October. There is a limited market for the bonds which are nominally quoted around 60.

Board vs. Non-Board

I am a member of a city council which has always carried their insurance in board companies. The question arises as to whether non-board companies are equally sound and whether the saving effected by taking advantage of their lower premiums is justified?

It is difficult to classify fire insurance companies on the broad basis of whether or not they are board companies. The fact that an insurance company is a member of a tariff association is not a guarantee of its financial strength although the fact that most board companies usually write business at a higher rate than a non-board company gives a wider degree of safety, in many cases.

However, there are undoubtedly many companies operating in Canada and not writing business at tariff rates which are every bit as strong as the best of the tariff companies.

If there are any particular companies you have in mind, we would be glad to give you whatever information we have as to their soundness, but unless one is dealing with specific companies it is very difficult to generalize except to say that companies operating under a federal license in Canada have to meet a rigid standard and this in itself is a good indication that the interests of policyholders are well looked after.

General Steel Wares

I have been looking over some of the cheap stocks and notice that the common shares of General Steel Wares are selling at a low level. What is the outlook for this stock at the present time?

Net loss of General Steel Wares in 1931 was $1,198,656. In the past two years the company has failed to earn its bond interest requirements, though it continues to meet these obligations. Our understanding is that operations this year are showing little improvement. The immediate position of the common stock therefore is unsatisfactory.

Winnipeg Electric

Is it a fact that Winnipeg Electric Co. guarantees the bonds of Northwestern Power Co. and Manitoba Power Co.? I have been told that the Northwestern Power plant has been, or will be, closed down; is not this likely to prove a drag on Winnipeg Electric?

Winnipeg Electric Co. guarantees the bond issues of all its subsidiary companies including Manitoba Power and Northwestern Power Co. Earnings of Manitoba Power in 1931 were sufficient to cover charges, but indications are that the guarantee in connection with Northwestern Power bonds, of which there are $10,000,000 outstanding, may prove a considerable drag on the parent company until conditions improve. The plant of Northwestern Power Co. has been closed down since March 1; this action followed the shut-down of the Pine Falls mill of Manitoba Paper Co. At the moment there is a surplus of power in the Winnipeg district, and prospects for an early reopening of the Northwestern Power plant are not encouraging. In the meantime, Winnipeg Electric Co. is called upon to meet interest payments on the bonds.

Two Preferred Stocks

I have been considering the preferred stocks of Canada Cement Co. and Ottawa Light, Heat and Power Co., and am undecided as to which holds the better position; both appear to have good records; would you be good enough to give me your opinion?

A comparison of the merits of two stocks is always difficult; a glance at the individual records of Canada Cement preferred, and Ottawa Power preferred may answer your question. The present preferred stock of Canada Cement Co. was issued in 1927; since that time, the preferred dividend of $6.50 has been covered each year, but by a relatively small margin. In the past four years, earnings on the preferred have averaged $7.28 a share; prospects for the current year are not altogether encouraging.

Preferred stock of Ottawa Light Heat & Power Co. was issued in 1923; in the last seven years earnings have been sufficient to cover the $6.50 preferred dividend more than three times over each year. Earnings of utility companies as a whole have tended to withstand the effects of business conditions better than those of industrial concerns.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Kirkland-Premier

Enclosed please find a circular letter relative to Kirkland Premier shares.

May I ask if in your opinion the suggested procedure should be followed?

Kirkland Premier Mines was reorganized into Kirkland Gold Rand Mines in an effort to raise additional funds to develop its property. The success of this reorganization rests on the ability of the New York financial sponsor to raise the required amount of money, and to assist in this programme he is asking you to pool your Kirkland Premier shares until he has completed his financing. The object of this is to prevent your shares coming on the market and taking advantage of any market he can make for shares of Kirkland Gold Rand.

Under the circumstances you are obliged to choose between holding your Kirkland Premier and endeavoring to dispose of it in a free market or send it in for transfer to Kirkland Gold Rand and have it pooled until officials see fit to release it. The question for you to decide is whether or not to throw in your lot with the new financing arrangement.

Sylvanite Gold Mines

As a subscriber to The Financial Post I will be pleased if you will give me some information as to the present earnings position of Sylvanite Gold Mine, and how you regard its future. On what date do they pay dividend, and is there likelihood that same be discontinued?

Sylvanite Gold Mines is making good progress and for the year ended December 31, last, produced over $900,000 in gold—a record year for the company. Earnings of four cents per share were shown in the last statement and the fiscal year March 31, promises to exceed this by a small margin. The company is the youngest producer in the Kirkland Lake camp and its future is tied up with mining greater quantities of ore at depth. To this end it is sinking a shaft to the 3,000 ft. horizon in an effort to pick up some of the high grade ore encountered on the adjoining Wright-Hargreaves property. Upon developments at depth will depend increases in milling facilities, greater production and consequent higher profits. The company enjoys excellent management and is amply financed.

The present rate of dividends at four cents per share annually is payable two cents per share semi-annually, on the last of June and the last of December. We can see nothing in the immediate future that would cause the company to pass its dividend; the fact that it is being amply earned holds promise for its continuance, while increased production would likely mean higher dividends.

Ventures Limited

As a subscriber to The Post I would greatly appreciate it if you would give me your opinion as to the future prospects of Ventures. Have they got a good liquid position and are their holdings good? In your opinion, do you think that this stock will appreciate in value in the near future?

Ventures Ltd. has been described by officials of the company as a venture. It has very extensive holdings in prospects throughout the Dominion as well as extensive holdings in various Lindsley enterprises. It is really the parent company of all the Lindsley interests. Some of its undeveloped properties have apparent merit, but their possibilities will not be known until some more work is completed. The producing properties include Coniaurum, Falconbridge, Nickel, and Sherritt-Gordon, none of which are on a basis that would permit the payment of dividends. The future of Ventures is tied up with one or more of its various interests coming through as a profitable producer in a big way and at the moment there is nothing to indicate that this will transpire in the immediate future. In short, the company is an exploration and holding company of considerable magnitude and its future is tied up with the success of some of its undertakings.

The true liquid position of Ventures is not disclosed at the present time, but is supposed to be adequate for immediate requirements, but not sufficient for any big scale programmes. The fact that the company borrowed $250,000 from the Nipissing Mines to carry on its share of the Beattie development would indicate that it is none too flush. On the other hand, it has a big list of securities that might be liquidated if necessity demanded.

Any appreciation in the stock market value of the Ventures shares will doubtless have some direct relation to the measure of success enjoyed by the company in the development of its interests.

Howey Gold Mines

Would you advise buying Howey Gold at market price?

Howey Gold Mines is in the hands of a strong group and very ably managed. It is currently treating an average of 750 tons of ore daily, averaging around $4.10 per ton in gold. The production for the first quarter of 1932 amounted with premium to about $316,000—a new high record. Operating costs at the present time are approximately $2.50 per ton. The heavy debt that has been overhanging the company since operation started is being gradually liquidated and, it is expected, by the end of 1932 will be entirely paid off. The company has sufficient ore indicated for the next three years operations and indications point to more and better ore at depth. The president has stated that by the end of 1933 he hopes to be able to pay a dividend.

Teck-Hughes

What is wrong with Teck-Hughes? I see it is selling below $4 today. I am carrying 700 shares and am anxious.

The mine did not live up to expectations when its mill was increased from 900 to 1,300 tons of ore daily about a year ago, despite the official statement that the grade of ore treated would be close to $18 per ton. Last summer some lean horizons were encountered in the mine below the 25th level that had the effect of materially reducing the grade of ore treated and the total gold recovery. The grade declined steadily throughout the year and in the last quarter of 1931 dropped to $11.50 per ton. Indications are, however, that the first quarter of this year will show some increase. New levels opened up below the lean horizons have encountered some high grade ore shoots, but the massive ore bodies found in the upper workings are not yet defined. The future of the mine will rest with the ability to again find large lenses of ore that will make for profitable operations. The present ore reserves are sufficient for about one-and-a-half years supply at current mill capacity, but this does not necessarily reflect the ore possibilities since the company has an aggressive development programme at depth under way. This development programme continues in favorable geological formation such as has been conducive to ore in the past and it is hoped that it will be productive in the future.

Dividends are being earned at the present time—the increased mill capacity about offsetting the decline in the grade of ore.

It cannot be denied that the property having regard for its limited length along the main break of the camp is facing exhaustion at a more rapid rate than some of the adjacent properties. The hope is that the new developments at depth will demonstrate their importance as work progresses.

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ASBESTOS CORP. REORGANIZATION MAKES HEADWAY

Formal Approval All That is Necessary to End Work

From Our Own Correspondent

MONTREAL.—Preferred and common shareholders of Asbestos Corp. have formally approved the plan of reorganization. Substantially in excess of the necessary 51 per cent of each class of stock was voted in favor of the plan.

Special meetings of first mortgage bondholders of the Corp. have been called for May 31 next. As already a large proportion of the senior securities have been deposited, and in support of the plan, amounting to 90.6 per cent in the case of the first mortgage bonds and 81.8 per cent of the general mortgage bonds, the vote to be taken on May 31 will be a mere formality.

Reconstruct Capital Set-up

Under the reorganization plan it is proposed to leave the underlying bonds intact but to extinguish the present first and refunding mortgage and general mortgage bonds. Holders of the first mortgages will receive $100 principal amount in new income bonds and one share of capital stock for each $100 principal of their present bonds and for all interest and arrears. The general mortgage bondholders will receive 1½ shares of capital stock, for each $100, principal of the present bonds and for all interest in arrears.

The present preference stock will be wiped out and the preferred stock shareholders will receive 1½ shares of new capital stock for each ten shares of the old held, while the common shareholders will receive 1¼ shares of new capital stock for each 50 shares of the old issue.

Cut Down Charges

As a result of this move there will be a marked reduction in the capitalization of the company. At present, there is issued $14,698,879 of bonds and preference stock and 200,000 shares of no par value common stock. The revised capital will consist of $749,179 of underlying bonds, $2,361,000 of new general mortgage six per cent income bonds, and 101,779 shares of no par value common stock.

Elect New Directors

At the annual meeting of Asbestos Corp., two new directors were appointed to take the place of Lord Shaughnessy and of the Hon. Jacob Nicol. The vacancies were filled by R. W. Steele, vice-president of the Dominion Securities Corp., and E. A. MacNutt, vice-president and treasurer of the Sun Life Assurance Co. of Canada.

QUINTE & TRENT VALLEY POWER SEEKS WAIVER

Bondholders to Pass On Interest and Sinking Fund

From Our Own Correspondent

MONTREAL. — Bondholders of Quinté and Trent Valley Power Co. will meet on May 28 next to approve various by-laws relieving the company of obligations under the trust deed.

It is proposed to waive interest payments from July 1, 1932, to July 1, 1934. This is in addition to the past 18 months, during which time no interest was paid.

The bondholders will also be asked to approve of a by-law passing the sinking fund payment for 1932 and 1933.

Power Sales Reduced

Quinté and Trent Valley Power is controlled by Canadian Paperboard Co. and its troubles are a reflection of those of the parent company which went into receivership in the early part of 1930. It supplied power and steam to the plants of the Canadian Paperboard and at Frankford, Campbellford and Toronto.

With the lessening of demand for these items, earnings of the company fell off and on July 1, 1930, Quinté and Trent Valley passed its preferred stock dividend. Toward the end of that year the bondholders met to protect their interests and on January 14, 1931, agreed to the passing of interest for a period of 18 months from Jan. 1, 1931, to July 1, 1932.

Efforts have been made by the management to dispose of the surplus power formerly supplied to the Frankford and Campbellford mills of the parent company but to date have met with little success.

Dominion Coal Co. Seek Tenders on Bonds

From Our Own Correspondent

MONTREAL.—Dominion Coal Co., controlled by Dominion Steel and Coal Corp., has drawn for redemption $278,500 par value of its 5 per cent first mortgage sinking fund gold bonds. At the end of last year the amount of this issue outstanding totalled $3,363,500, so that operation of the sinking fund this year will bring the amount down to $3,085,000.

These bonds were issued originally in 1905 to the extent of $7,000,000. The sinking fund came into operation in 1911, requiring the company to pay annually to the trustee $460,000.

Ontario Crop Season Later Than in 1930

Crop conditions vary considerably from county to county. In some cases seeding is completed while in other instances farmers are just commencing to work the land.

The season is from ten days to two weeks later than last year. Favorable reports about the conditions of the fall wheat crop continue to arrive. Alfalfa and red clover in most cases have come through the winter in excellent condition but sweet clover has heaved a great deal. Rains during the past week have helped the meadows considerably. Prospects for a good fruit crop are excellent.

Education For Fruit Growers

Acting in co-operation with the Nova Scotia Fruit Growers Association, the Nova Scotia Department of Agriculture proposes to send to some 5,000 fruit growers useful information as compiled by the federal and provincial experts in regard to the use of sprays, etc. The reports of the specialists have been summarized in handy form by the Fruit Growers executive.

Concerns Have Own Idea Of Value of Their Goodwill

Survey of Canadian Corporations Shows Values Ranging from $1 to Nearly $30,000,000

From Our Own Correspondent

MONTREAL.—Goodwill not only plays a prominent part in the success or failure of an industrial enterprise, but it also bulks largely in the balance sheet of many corporations.

Managements will and have spent millions of dollars in building up goodwill. To them it represents dollars and cents. But goodwill at best is an intangible and an elusive item. It can disappear overnight and the millions spent on building it up are lost.

A Company's Personality

One accountant has described goodwill as being the personality of a company. It is an apt illustration. But when it comes to placing a value upon it, the personal equation enters into the matter and though one company may place goodwill on the balance sheet at $1,000,000, another will give it a nominal value of say $1.

By and large no company can prosper without goodwill unless it enjoys monopolistic privileges. For that and other reasons, one finds that though the Canadian Pacific and Canadian National Railways have spent millions of dollars in enlisting the support of the public, neither system shows a value for goodwill on its balance sheet.

The utility companies, for example, give considerable thought and spend large sums of money on building up goodwill, but the item does not appear on their balance sheet. Consider the expense in getting customers to buy their stock! It is all a part of building up goodwill, but the expenditure does not appear in the balance sheet.

No Set Formula

In an examination of the major Canadian industrial concerns, one finds a wide variation in the value given to goodwill in the balance sheet. This is due to the fact that there is no formula for valuing goodwill. One prominent accountant is quoted as saying that goodwill in a balance sheet is worth whatever one thinks it is worth; in a sale or merger it is worth whatever one can get for it.

Imperial Tobacco Co. of Canada places a value of $28,816,801 on its goodwill, trademarks and patents. Its trademarks are probably the most important item in this category, for they are synonymous with goodwill. Millions have been spent by the company in popularizing their different brands. They have created a definite demand for particular products, which in turn has provided the company with substantial earnings. But if advertising were discontinued, or some other circumstance take place which made the public turn to a competitor for their "smokes," who would pay $28,816,801 for these assets?

Laura Secord Candy Shops has a relatively small amount invested in plants and equipment. Goodwill is undoubtedly the most important asset of the company, yet it is carried on the books at the nominal figure of $1. This does not mean that the management value goodwill at $1, for a purchaser of the company would find that he would have to pay many times the value of the fixed assets in order to secure that intangible item — goodwill.

Millers Have Own Idea

It is interesting to note how the milling companies regard goodwill. Lake of the Woods Milling Co. shows goodwill, trademarks, etc., on its balance sheet at $250,000; Maple Leaf Milling Co. carries goodwill and trademarks at $859,401; Ogilvie Flour Mills Co. shows goodwill, trademarks, patents, etc., at only $1, as also does Western Canada Flour Mills?

Who would be brave enough to say that Maple Leaf's goodwill is worth 859,401 times that of Ogilvie's, or that Lake of the Woods' goodwill has a value 250,000 times greater than that of Western Canada Flour Mills?

To the bakery companies goodwill is an asset of no mean importance. Consolidated Bakeries place a value on its goodwill, processes and formulae of $892,144. Canada Bread Co.'s auditors place a value on the goodwill of that company of $2,356,634. Dominion Bakeries' balance sheet has $300,055 placed opposite goodwill. Inter City Baking Co., lumps organization expenses with goodwill and give it a value of $1,075,224, while George Weston Ltd. carries the item of goodwill at $1.

Some Values Nominal

Companies in other fields of endeavor, to whom goodwill is just as important as to the bakery companies, take another view on valuing goodwill. Canada Packers Ltd., probably the largest meat packers in the Dominion, place goodwill on its balance sheet at $4. Canada Wire and Cable shows the item on its statement at $2. Canadian Fairbanks-Morse Co. values goodwill, patents, patterns and drawings at the nominal sum of $1.

In the iron and steel group, Disher Steel Construction places a value on goodwill of $200,000; Canadian Locomotive Co. at $1,000,000; Frost Steel and Wire, $836,400; National Steel Car Co., $1.

Over half of the assets of the Sterling Coal Co. are represented by goodwill. Canadian Consolidated Felt Co. shows goodwill, patents and formulae at $1,925,787, while all other assets are valued at only $2,587,181. The balance sheet of W. B. Beath and Sons shows goodwill, patents and leases at $1,521,237 and all assets $2,832,902.

It has become a common practice in modern accounting to group all intangibles under the heading of "goodwill." Many companies still show on their balance sheets in one category goodwill, patents, trademarks, leases, and formulae. In many instances legal fees for patents, registration costs, etc., are placed in this grouping, but, generally speaking, the value shown does not bear any direct relationship with the actual capital outlay. In other words, the item is given a value set by no recognized standard.

A Balancing Figure

In discussing the matter of goodwill, Andrew M. Howe wrote in Printers' Ink that in the days before it became necessary to inject a balancing figure among the assets in the balance sheet so that the assets in the aggregate would equal the liabilities and the par value of the stock. This was frequently referred to as goodwill and undoubtedly was partly responsible for the general disregard of such items by bankers in determining the value of a security. The practice was looked upon as "watering the stock."

By issuing no par value shares, a new company can avoid placing such an intangible item on the balance sheet. Frequently in reorganizing old companies no par value stock is issued and the item of goodwill eliminated from the balance sheet.

In the accompanying list of some 75 Canadian corporations showing their total assets and the value set against goodwill, it will be noted that many prominent companies are not represented. The reason for their omission is simply that these concerns do not show any value for goodwill in their balance sheets.

This may be because the managements are of the opinion that there is nothing to be gained by setting up an arbitrary value for goodwill, when such an item has no tangible value until converted into cash.

TOTAL ASSETS AND VALUE OF GOODWILL REPORTED BY 75 CANADIAN FIRMS

Amalgamated Electric	$ 1,496,809
Goodwill and patents	1
Beath & Sons, W.B.	2,832,902
Goodwill, patents and leases	1,521,237
Belding Corticelli Ltd.	4,075,193
Goodwill and trademarks	500,000
Blue Ribbon Corp.	2,960,984
Goodwill, patents and trademarks	269,917
Brantford Cordage Ltd.	4,449,794
Goodwill, patents and trademarks	993,797
British American Oil	30,483,772
Goodwill, (Appreciation in value of property more than sufficient to cover)	2,314,125
Burt Co., F. N.	4,111,029
Goodwill	1
Catelli-Macaroni Products	2,063,009
Goodwill, patents, etc.	123,267
Caulfield's Dairy Ltd.	475,036
Goodwill	119,500
Cons. Bakeries of Canada	8,234,786
Goodwill, processes & formulae	892,144
Cons. Industries Ltd.	1,841,918
Goodwill, licenses, trademarks & contracts	400,000
Cons. Press Ltd.	1,919,918
Goodwill & circulation structure	500,000
Canada Bread Co.	8,810,451
Goodwill (estimated)	2,356,634
Canada Foundries & Forgings	2,768,581
Goodwill	250,000
Canada Packers Ltd.	30,804,546
Goodwill	4
Canada Wire & Cable Co.	7,945,501
Goodwill	2
Canadian Bakeries Ltd.	2,957,377
Goodwill, trademarks, brands, etc.	705,664
Canadian Bronze Co.	1,709,275
Goodwill, contracts and patents	1
Canadian Cons. Felt Co.	2,587,181
Goodwill, patents & formulae	1,925,787
Canadian Fairbanks-Morse Co.	4,934,505
Goodwill, patents, patterns & drawings	1
Canadian Industrial Alcohol Co.	13,820,301
Goodwill, trademarks, etc.	2,142,180
Canadian Industries Ltd.	47,363,300
Goodwill, patents & processes	3,566,049
Canadian Locomotive Co.	6,562,937
Goodwill	1,000,000
Disher Steel Construction	504,813
Goodwill	200,000
Dominion Bakeries Ltd.	1,231,147
Goodwill	300,055
Dominion Glass Co.	12,412,581
Goodwill, patents, trademarks, etc.	2,581,920
Dominion Rubber Co.	21,638,763
Goodwill, patents, formulae	4,214,052
Dominion Stores Ltd.	5,899,252
Goodwill	1
Dominion Woollens & Worsteds	6,294,806
Goodwill, trademarks, etc.	1
Easy Washing Machine Co.	1,236,466
Goodwill	166,709
Famous Players Canadian Corp.	25,166,273
Goodwill, franchises, etc.	7,403,283
Foundation Co. of Canada	3,177,905
Goodwill	1
Frost Steel & Wire Co.	2,146,863
Goodwill	836,400
Great West Saddlery Co.	2,653,641
Goodwill	1
Guelph Carpet & Worsted Spinning Mills	1,960,367
Goodwill	1
Gurd & Co., Charles	1,628,694
Goodwill, formulae, etc.	250,000
Hamilton Leather Goods Co.	159,702
Goodwill	31,684
Hamilton United Theatres	2,135,107
Goodwill, franchises, etc.	1,310,188
Holt, Renfrew & Co.	3,549,765
Goodwill	772,454
Honey Dew Ltd.	2,103,196
Goodwill, Trade names, formulae, etc.	723,693
Hunts Ltd.	845,573
Goodwill	1
Imperial Tobacco Co. of Canada	70,020,268
Goodwill, trademarks & patents	28,816,801
Inter-City Baking Co.	4,039,389
Goodwill, organization expense, etc.	1,075,224
Inter-City Western Bakeries Ltd.	3,571,673
Goodwill	909,020
Inter. Paints (Canada) Ltd.	1,054,408
Goodwill, trademarks, formulae. etc.	140,000
International Proprietaries, Ltd.	9,574,003
Goodwill, formulae, trademarks, etc.	6,084,689
Kelvinator of Canada, Ltd.	1,353,897
Goodwill, patents, etc.	553,419
Lake of the Woods Milling Co.	13,759,965
Goodwill, trademarks, etc.	250,000
Laura Secord Candy Shops, Ltd.	1,796,801
Goodwill	1
P. T. Legare Co.	7,486,131
Goodwill	1
Maple Leaf Milling Co.	15,736,912
Goodwill & trademarks	859,401
Melchers Distilleries Ltd.	3,847,735
Goodwill & trademarks	1,555,200
Monarch Knitting Co.	3,018,171
Goodwill, contracts, etc.	995,905
Moore Corp.	9,391,744
Goodwill & patents	1
Mount Royal Hotel Co.	10,565,419
Goodwill	900,000
National Breweries Ltd.	18,369,981
Goodwill, trademarks, etc.	1,500,000
National Sewer Pipe Co.	2,566,678
Goodwill	1
National Steel Car Co.	8,609,199
Goodwill & patents	1
Ogilvie Flour Mills Co.	17,753,022
Goodwill, trademarks, patents, etc.	1
Ontario Steel Products	2,537,354
Goodwill	1
Penmans Ltd.	7,451,859
Goodwill, trademarks, etc.	1
Regent Knitting Co.	2,737,928
Goodwill	1
H. Simon & Sons	917,074
Goodwill and trademarks	1
Standard Clay Products	1,487,733
Goodwill	50,000
Standard Paving & Materials	3,968,045
Goodwill	638,025
Sterling Coal Co.	4,163,183
Goodwill	2,631,250
Supertest Petroleum Co.	1,453,994
Goodwill, trademarks, etc.	200,075
Tamblyn Ltd., G.	1,703,035
Goodwill	1
Tooke Bros. Ltd.	2,055,539
Goodwill	323,785
United Amusement Corp.	5,371,041
Goodwill & franchise	1,372,291
Western Canada Flour Mills	8,872,617
Patents, trademarks, goodwill, etc.	1
Weston Ltd., George	2,649,802
Goodwill	1
Whittall Can Co.	3,574,077
Goodwill, trademarks, etc	1
Willard's Chocolates Ltd.	1,604,725
Goodwill, trademarks, etc.	1
Zimmerknit Ltd.	1,509,694
Goodwill	1

Lord Nelson Hotel Makes New Contract

From Our Own Correspondent

MONTREAL. — J. H. Winfield, president of the Lord Nelson Hotel Co., announces that arrangements have been completed whereby the management of the Lord Nelson Hotel will be assumed by the Canadian Associated Hotels Ltd. This organization already operates a number of hotels in various parts of Canada, including the Admiral Beatty in Saint John.

Charles Gurd Plans to Add New Product

From Our Own Correspondent

MONTREAL.—Charles Gurd and Co. expects to launch a new line in the near future; the name and formula have already been prepared though details of the addition to the company's products have not been made public. The company is entering on its busiest season of the year and A. McA. Murphy, president, states in a letter to shareholders that the company is soundly solvent and it is expected that dividends will be paid regularly. In March, 1932, the disbursement on the common was reduced from an annual basis of $2 to $1.60.

In his letter Mr. Murphy points out that the Charles Gurd Co. celebrated its 64th birthday on May 1. For the current year expenses have been budgeted down and an appeal was made to shareholders for their co-operation.

Earnings of the company in 1931 were lower by $60,000 from the previous year and net profits were equal to $1.97 a share on the common against dividends of $2 a share. Payment resulted in a deficit of $2,000 and a balance of $274,119 was brought forward.

McColl Shareholders to Pass on By-laws

From Our Own Correspondent

MONTREAL.—One of the principal matters to be passed upon at the annual general meeting of the McColl Frontenac Oil Co., will be the ratification of a by-law, enacted by the directors on November 26th last, providing for the purchase of the company's capital stock up to 30,000 shares, the stock to be held by trustees for sale to employees.

The by-law reads as follows:

"Whereas Section 56D of the Companies Act, Canada, provides that a company may advance money for the purchase by trustees of its fully paid shares to be held by or for the benefit of the employees of the company;

"And whereas it is in the interest of the company that provision be made to facilitate the purchase by employees of the company of its common shares without nominal or par value.

"Now, therefore, it is enacted as a by-law of the company;

1. That the directors do appoint among themselves three trustees, and that such trustees be and they are hereby authorized to purchase, on behalf of the company, Common shares without nominal or par value, such shares to be held by them in trust for sale to the employees of the company.

2. That such shares be purchased by the trustees from time to time on the open market as and when the trustees deem advisable, provided that the maximum number of shares which the trustees may hold at any time shall be limited to 30,000 shares.

3. That the trustees may sell such shares to the employees of the company at such prices, and upon such terms and conditions as they consider advisable."

National Breweries Head Stresses Taxation Burden

From Our Own Correspondent

MONTREAL.—The heavy taxation burden carried by the brewing industry was stressed by Norman Dawes, president of National Breweries Ltd., at that company's annual meeting. Last year, he said, National Breweries alone paid government taxes of over $4,500,000. Further the additional Federal taxation caused a marked drop in profits.

The meeting was in general of a routine character and the following were re-elected directors: Norman J. Dawes, J. D. Hudson, Kenneth T. Dawes, A. W. Buchanan, K.C., Gordon C. Cushing, Brig. General W. O. H. Dodds, L. A. Ekers, Frank P. Jones, Hon. Donat Raymond, Julian C. Smith, and C. E. A. Boswell. The following officers were re-elected: Norman Dawes, president and managing director; J. D. Hudson, Kenneth T. Dawes, L. A. Ekers, and C. E. A. Boswell, vice-presidents, and A. D. Johnston, secretary-treasurer.

Canada Northern Power Earnings Higher in March

From Our Own Correspondent

MONTREAL.—Further increase in net earnings is reported by Canada Northern Power Corp. for March last. During the month gross income totalled $282,293 and expenses $86,655, leaving net earnings totalling $195,638. For the same month last year gross earnings amounted to $281,565, expenses $88,431, and net earnings $193,134.

For the quarter ending March 31 last, gross earnings of Canada Northern Power totalled $862,222 and after the payment of expenses, net earnings aggregated $594,407. For the corresponding period of 1931, gross income was $836,003, expenses $258,407, and net earnings $577,596.

Power production from the company's plants totalled 36,712,110 kw.h. for March last as against 34,753,560 kw.h. for the same month last year. Total power production for the first quarter of the current year amounted to 107,447,060 kw.h. as against 98,652,030 kw.h. for the corresponding quarter of 1931.

Federal Telephone Tax Now Effective; May Revise

From Our Own Correspondent

MONTREAL.—Though representations have been made to the Federal Government regarding the five cent tax on long distance telephone calls, such charge went into effect on May 2.

Contrary to the general impression, this new tax does not apply to all long distance calls. It is only effective on calls where the charge is more than 15 cents; in other words, the telephone subscriber now pays 25 cents on a 20 cent long distance call, etc.

There is some uncertainty as to how this tax will be applied against public pay stations. So far no decision has been arrived at on this point.

DECLINE CONTINUES IN TRUST FUNDS

Ontario Companies' Funds 17 Per Cent Lower Than Year Ago

Guaranteed funds held by the 25 trust companies operating in Ontario as at March 31, 1932, totalled $129,201,274 as compared with $135,394,383 at the end of the previous quarter, a decrease of 4½ per cent and $155,685,759 at March 31, 1931, a decrease of 17 per cent. The companies' trustee investments, totalling $100,830,671, held against these guaranteed funds compare with totals of $107,181,374 at Dec. 31, 1931 and $101,842,071 at March 31, 1932. The percentage of trustee investments to total guaranteed funds was 78.04 per cent at March 31, 1932 as compared with 79.16 at the close of the previous quarter and 65.41 at the end of the same quarter of the previous year.

Total deposits at $37,748,928 are 7 per cent less than at Dec. 31, 1931 but are 3 per cent greater than at March 31, 1931. Specific guaranteed investments totalled $19,487,602, as compared with $17,862,374 at the end of the previous quarter, an increase of 8.3 per cent. General guaranteed investments totalled $71,964,744 against $76,944,125 at Dec. 31, 1931, a decrease of almost 7 per cent.

Trust & Loan Deposits Decrease 2 Per Cent

With total deposits of $74,028,364, as compared with $75,616,049 at Dec. 31, and total available liquid securities of $40,935,412, Ontario trust and loan companies showed a lower percentage of liquid securities to deposits at March 31 than at the end of 1931, the respective figures being 55.29 and 57.63. Total deposits at Dec. 31, 1931 were $75,616,049 and at March 31, 1931 were $75,363,915. These figures cover 31 companies operating under the jurisdiction of the Ontario Department of Insurance.

Analysis of liquid resources shows cash on hand and on deposit at $6,739,250 as compared with $8,500,802 at Dec. 31 and $8,565,544 a year ago. Dominion and provincial bonds total $20,413,703 as compared with $20,561,460 at the end of the previous quarter and $18,835,978 a year ago and demand loans total $1,302,424 as compared with $1,409,939 at Dec. 31, 1931 and $4,955,100 at March 31, 1931.

Bell Telephone Increases Freedom from "Trouble"

From Our Own Correspondent

MONTREAL.—Telephones of the Bell Telephone Co. of Canada in Ontario and Quebec are free from "trouble" of any kind, on the average, for a period approximating two and one-half years.

A survey covering the years 1926-1931 shows a steady decline in telephone troubles and a consequent increase in the period of an interrupted service. In 1926 the period of freedom from service interruptions averaged 16 months, whereas in 1931 the period was extended to 29 months.

New Issue

$5,000,000

Province of Manitoba

6% Sinking Fund Debentures (Non-Callable)

Dated April 1st, 1932 **Due April 1st, 1947**

Principal and half-yearly interest (April 1st and October 1st) payable in lawful money of Canada at The Royal Bank of Canada in Toronto, Montreal, Winnipeg, Regina, Vancouver or Saint John, N.B. Denominations: $500 and $1,000. Debentures may be registered as to principal.

Legal Opinion: E. G. Long, Esq., K.C.

These Debentures are a direct obligation of the Province of Manitoba and are payable, principal and interest, from the Consolidated Revenue Fund of the Province. Proceeds of this issue will be used to refund Treasury Bills issued for roads, rural credits, unemployment relief works and general purposes and also to fund Provincial Savings Office obligation to banks now secured by collateral.

An annual Sinking Fund of 1% will be established against this issue.

Manitoba, the most easterly of Canada's Prairie Provinces, has become more similar to the Eastern Provinces during recent years due to the growth of manufacturing, mixed farming, and mining in the copper gold areas of the Province. Developments in manufacturing have been advanced by available electric power, transportation facilities, and the position of the Province with relation to the markets in Western Canada.

Manitoba's finances have been soundly administered, and the Province has budgeted for a surplus for the fiscal year ending April 30th, 1933. Contingent liabilities have been substantially reduced during recent years, while more than 45% of the gross debt of the Province is self-sustaining and secured.

The Premier has authorized the following statement:

"Notwithstanding the adverse conditions which presented themselves in 1930 the Province of Manitoba balanced its Budget for year ended April 30th, 1931 by using less than $700,000 from the reserve in Deferred Subsidy Account. Owing to the unprecedented conditions that existed during 1931 Revenues declined still further and expenditures for relief increased but it is anticipated that in the year ended April 30th, 1932, the deficit will be largely offset by drawing upon the Deferred Subsidy to the extent of over $2,500,000 in that reserve. Many measures of economy were put into effect during the fiscal year just ended. All capital expenditures other than those connected with unemployment relief were discontinued last September. No capital expenditures other than for relief are contemplated for the present fiscal year. Further economies are planned involving reductions in excess of $1,500,000 and provision is being made for a like amount of new revenues, enabling the Province to show a balanced budget for the fiscal year ending April 30th, 1933."

Information regarding the financial position of the Province will be found in the official circular which is available upon request.

We offer these Debentures if, as and when issued and accepted by us, subject to the approval of Counsel.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close subscription books at any time without notice.

It is expected that Debentures in interim form will be ready for delivery on or about May 17th, 1932.

Price: 95.25 and accrued interest, to yield 6.50%

The Royal Bank of Canada
The Dominion Securities Corp. Ltd.
The Bank of Nova Scotia
The Bank of Toronto
Bell, Gouinlock & Co. Limited
Nesbitt, Thomson & Co. Limited
R. A. Daly & Co. Limited

Bank of Montreal
A. E. Ames & Co. Limited
Imperial Bank of Canada
Fry, Mills, Spence & Co. Limited
Royal Securities Corp. Limited
The National City Co. Limited

The Canadian Bank of Commerce
Wood, Gundy & Company Limited
The Dominion Bank
Banque Canadienne Nationale
McLeod, Young, Weir & Co. Limited
Hanson Bros., Incorporated
Harris, Forbes & Co. Limited

The information contained in this advertisement is based upon statements and statistics on which we have relied. We do not guarantee but believe the statements herein made to be true.

Current Events in Banking World

Ottawa Head Office Of Bank of Montreal Is Magnificent Branch

Latest Addition to Canada's Banking Roster Extends Full Block

IS COMPLETE PLANT

Houses Staff of Ninety and Meets Every Need of Customers and Staff —Cost $1,000,000

By Staff Editor

OTTAWA.—The new head office of the Bank of Montreal in Ottawa is without question the finest branch banking establishment in Canada.

Opened a few weeks ago, under the managership of Major W. R. Creighton, it extends an entire block between Sparks and Wellington Streets, its east flank facing O'Connor Street. Not only does it take high rank among the many fine buildings and institutions in Canada's capital city, but also it makes a worthy addition to Canada's growing roster of magnificent bank buildings. It has a total staff of 90 and is known officially as 1-5. It cost approximately $1,000,000, it is said.

Part of the new building has been in use for sometime, due to the fact that the new structure replaces what was formerly two offices and in order to carry on business without interruption the building was constructed in two sections—one end of the new structure having been in use prior to the laying of the corner stone by Sir Charles Gordon on August 24, 1931. The finished structure is now open, however, with the completion of the northern part of the building which faces the west wing of the Parliament Buildings.

Magnificent Banking Room

Perhaps the most outstanding feature of the building itself is the main banking room which is no less than 131 feet long, 53 feet high, and 58 feet wide. Looked at before or after banking hours, it appears to be of very vast proportions, but once the doors are opened and business is in full swing there is little or no waste space.

As there is a substantial difference, in elevation, between Wellington and Sparks Street, the bank has been built on the Wellington Street level so that customers entering from Sparks Street reach the main banking room by means of a fine ornamental marble staircase. Either side of the Sparks Street entrance is flanked with well-appointed rest rooms for the bank customers while a stairway to the right leads down to the main safety deposit vault maintained for the bank's customers.

At the far end of the banking room, there is another entrance and vestibule facing Wellington Street, and on either side there are the managers' office and a conference room, the latter for the use either of the bank's customers, or its officials. These rooms are furnished in modern vein, panelled in rich brown teakwood.

In addition to ample facilities on either side of the banking floor for the bank staff there is a stenographic and filing department on the west side of the branch and also a special statistical department handling the business of the Dominion Government. This department constitutes a sort of mezzanine above the Sparks Street entrance.

Complete Banking Plant

Not only is there every facility for handling the bank's business with its customers, but the branch is in itself an almost complete banking plant. For instance, there are beautifully-equipped dining rooms, both for the staff and for the officers of the bank, with a complete culinary department to serve these. In the basement are suitably appointed rest and locker rooms for the employees and even a small repair department where furniture and other repairs throughout the building can be attended to. The bank also provides its own private parking area for customers.

Another feature of the building is its vaults. There are three of these, the book vault, the cash vault, and the safety deposit vault, each one entered by a separate door. The combined weight of the three doors alone is over 25 tons, all of them being 16 inches thick. As already noted the entrance to the safety deposit vault is from the Sparks Street lobby which leads to a small waiting room attached to which are eight coupon booths and two larger rooms for conference purposes. Each booth has a push button communication with the attendant's desk in the vault waiting rooms and in addition to the equipment of safety deposit boxes of varying sizes, there is also a special compartment for accommodation of packages of a larger size and can be put in the ordinary boxes.

Windows All Sealed

Another interesting feature of the branch is the fact that it is entirely sealed with double windows throughout the entire building. The air in the building is supplied from a modern air-conditioning plant which performs various important functions of heating, reheating, viscosizing and ozonating the air before it is fed into the various rooms. Another interesting feature of the main banking room is the beautifully-polished marble counters, which although faced with marble, are in reality steel equipment with marble facings, which permit the installation of up-to-date steel filing equipment and cash cages.

The building itself was designed by Ernest Barott, his design having been unanimously chosen as a result of a competition among Canadian architects. The exterior is a modern interpretation of Greek design and is constructed of Queenston stone with Stanstead granite from the street level to the ornamental stone band at the base of the pilasters. At both the Wellington and Sparks Street façades are heroic size relief panels depicting the past and future of the Dominion while magnificent grilles have been used to cover the large windows at either end of the building. An interesting feature of these grilles is the fact that they are constructed of bronze, iron and aluminum which gives a very pleasing appearance.

The architraves of the two main entrance doorways are of granite. The main banking room itself is finished with Benedict stone walls, has an arched and coffered ceiling and marble floors. Above the two entrances in the banking room are golden vein St. Genieve marble and sculptured figures with sculptured provincial coats of arms above the windows and the sides.

Bank of Montreal is now entering its 92nd year of establishment in what is now its Ottawa branch. In 1840—27 years before Confederation—the bank appointed its first agent in that community. Ottawa then was but a lively lumber camp known as Bytown, and its importance in the affairs of the country may be judged by the fact that, at that time, the population of the Ottawa district," covering Bytown and a number of townships, was just over 9,000.

Four years after opening its agency the bank purchased the limestone building of what was known as the Royal Exchange Hotel, at 202 Wellington Street, between Bank and Kent Streets, and its office remained in this building for upward of 30 years. Soon after Confederation in 1867, the bank purchased the site on which a portion of the new building now stands, and shortly afterward began the erection of the building which was demolished to make way for the present structure, that building being opened and ready for occupation in 1874. It was a large and imposing building in those days. The lower part of the new structure is the location of the former Merchants' Bank of Canada, which was amalgamated with the Bank of Montreal in 1922.

Unclaimed Balances Rise Through Years

In searching The Financial Post files for 1910 an item came to light showing that the unclaimed bank balances in Canada at December 31, 1909, totalled $629,765. This amount represents the amounts at credit of accounts in Canadian banks which had been dormant for a period of five years.

By Dec. 31, 1931, the amount of unclaimed deposits under the same conditions was $3,200,954. It is interesting to note that the unclaimed deposits listed in 1909 were being held by a total of 29 banks.

BANK DEPOSITS OVER $3,200,000 LIE UNCLAIMED

Some Peculiar Cases of Forgotten Bank Accounts

Money to the extent of $3,200,954 was lying unclaimed in deposit accounts in Canadian banks at December 31, 1931, according to information furnished to the House of Commons recently by the Minister of Finance. The total amount unclaimed has grown by $389,896 since 1926.

Lists of depositors who are entitled to such sums have been given considerable publicity in recent months, and as a result many of the owners have turned up to claim their forgotten or neglected treasure. In one Western city, a real estate broker found his name in one such list published in the local newspaper which showed that he had forgotten a deposit of $346 made in 1912 and which represented profits made on a transaction. He was able to establish his right to the funds, and thereupon thanked the paper for bringing the matter to his attention.

War Partly Responsible

Many of the accounts so forgotten are those of persons who are now deceased, and in such cases it has been necessary to unravel legal complications before the money could be obtained. Deaths caused by the war are responsible for a large proportion of these, as heirs of such deceased persons had no means of telling that they were entitled to the money, and the banks were unable to locate them. In Canada, interest on such "dead" accounts ceases after they have been dormant for five years.

Another side of this question is disclosed in the case of a British Columbia family, who were in financial difficulties and who were actually living on unemployment relief, and who discovered an old bank book in their garret. It was decided to mail it to the bank in the hope that there might be a balance to their credit, and in answer to the enquiry, the bank advised that it was holding almost $1,300 in an account for one of the senior members of the family. He had simply forgotten about it!

Neglected 75 Years

The prize for recovering forgotten bank deposits should go to a private bank in London, England, however. Some 75 years ago a jeweller deposited £120 in the bank to the credit of four nephews who were to receive £30 each when they came of age. The benevolent uncle must have died before being able to disclose his intention, because no claim was ever made on the account and the balance went on accumulating at interest.

One day a clerk in the bank remarked casually to a customer that his name was the same as that of the man who had established the account originally. The client turned out to be one of the jeweller's great nephews.

In the intervening period the account had grown from £120 to £880 and this sum was finally paid over to persons whose existence had not even been contemplated when the deposit was made.

GOLD EXPORT BAN BY NEWFOUNDLAND

Canadian Bank Notes Made Legal Tender by Special Act

In order to stop the export of gold to New York and relieve the local exchange situation the Newfoundland parliament on May 2 passed bills to prohibit the export of gold and to make legal tender the notes of Canadian banks operating in Newfoundland. The ban on gold exports will continue until Canada resumes the export of gold.

Savings and commercial banks, under the old laws, were forced to maintain considerable gold reserves as they were legally liable to supply gold for notes on demand, but as the new act makes bank notes legal tender this necessity is eliminated.

Canadian banks entered Newfoundland in 1894 following a financial panic and collapse of the local bank. The four banks at present doing business in the country are Bank of Nova Scotia, Bank of Montreal, Bank of Commerce and the Royal Bank of Canada.

Bennett Puts Quietus On Provincial Bank

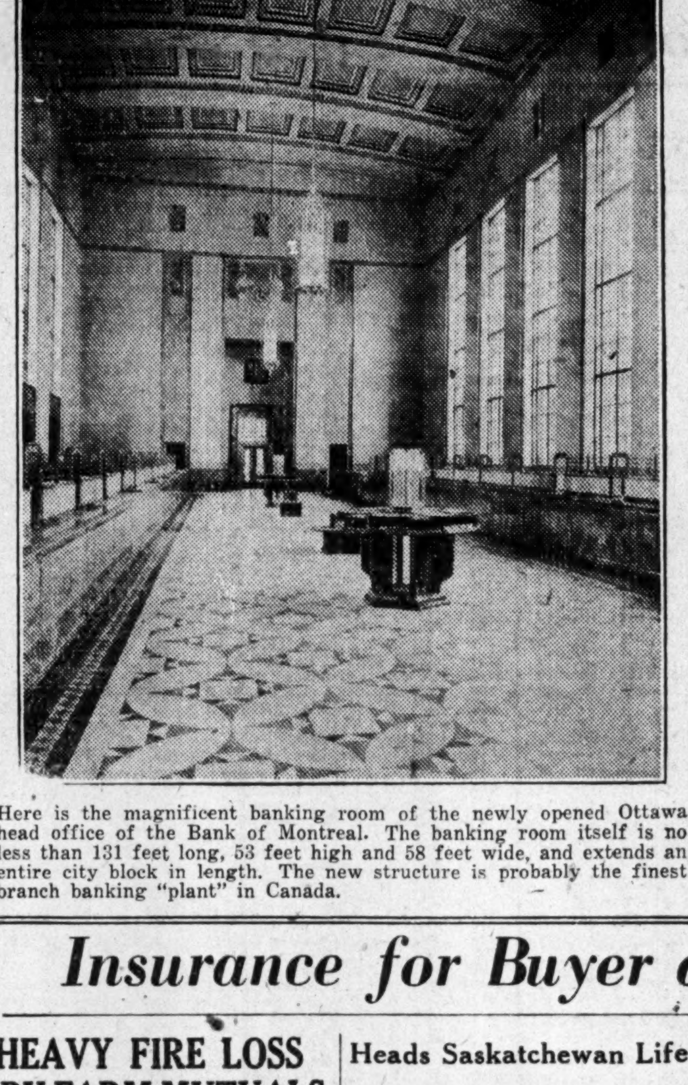
Recently in the House of Commons, the Rt. Hon. R. B. Bennett stated that the Dominion Government does not contemplate amending the Bank Act and the Finance Act to enable a province to establish a provincial bank and to enable the Minister of Finance to make advances of currency to a province for such purpose upon the security pledge.

Mr. Bennett gave this answer in reply to a question regarding the resolution passed by the Manitoba Legislature three weeks ago containing this proposal. Mr. Bennett further stated: "Banks and banking under our constitution are solely within the jurisdiction of this Parliament, to the exclusion of provincial power."

Weekly Bank Clearings

Eastern Cities	Apr. 30, 1931	Apr. 28, 1932
Halifax	$ 2,760,365	$ 1,872,734
Saint John	2,257,947	1,527,850
Moncton	690,993	600,538
Sherbrooke	717,026	574,075
Quebec	5,863,364	3,661,620
Ottawa	5,983,884	3,981,364
Montreal	125,322,533	67,917,881
Kingston	634,093	480,240
Peterboro'	701,557	509,211
Toronto	120,433,345	63,273,620
Hamilton	4,688,664	3,752,401
Kitchener	1,009,033	721,032
Brantford	1,001,748	647,669
London	2,661,889	2,808,413
Chatham	468,205	382,105
Windsor	3,765,841	2,039,292
Sarnia	394,677	325,736
Sudbury	628,108	434,795
Western Cities	**Apr. 30, 1931**	**Apr. 28, 1932**
Fort William ...	$ 537,580	$ 452,452
Winnipeg	44,266,692	30,069,683
Brandon	351,156	288,380
Regina	4,062,097	2,421,289
Moose Jaw	958,792	365,113
Saskatoon	1,389,357	1,166,825
Prince Albert ...	406,562	203,238
Edmonton	3,922,304	3,265,892
Calgary	6,121,398	3,920,224
Medicine Hat ...	185,769	137,193
Vancouver	15,615,555	10,849,133
New Westminster	532,259	431,509
Lethbridge	671,427	227,489
Victoria	1,692,403	1,120,291

New Ottawa Headquarters of Bank of Montreal



Here is the magnificent banking room of the newly opened Ottawa head office of the Bank of Montreal. The banking room itself is no less than 131 feet long, 53 feet high and 58 feet wide, and extends an entire city block in length. The new structure is probably the finest branch banking "plant" in Canada.

Bank Chat

Canadian Bank of Commerce announces the following changes in connection with its branches and staff:

FOXBORO, ONT.—This sub-agency to the Belleville branch was closed on April 29.

A. T. ROY, formerly manager at Chambly, Que., to be manager at Upper Town, Quebec, branch.

WALTER H. S. BURRITT, formerly manager of the Bank of Montreal, Moncton, N.B., was tendered a dinner by his friends on the occasion of his leaving the city to take over the managership of a Montreal branch of the bank. Mr. Burritt is a native of Peterboro, Ont., and entered the service of the bank in Guelph, later serving in Danville, Que., St. Roch, Que., St. John's, Nfld., Halifax, N.S. and Chatham and Shediac, N.B.

J. F. Clark is Winner Of Bank Essay Prize

J. F. Clark, a student at McGill University, has been awarded first place in this year's competition for The Royal Bank of Canada Graduate Fellowship in Economics for his essay on "Price Stabilization." The judges, Hon. Edgar N. Rhodes, K.C., M.P., and Dr. Oscar D. Skelton, F.R.S.C., awarded second and third places to essays on the same subject written by Edward L. Baker and George W. Robinette, students at the University of Toronto. Fourth place was awarded to an essay on "The Wheat Situation at Home and Abroad," written by W. S. Major, of Queen's University.

Commenting on the entries submitted, the monthly letter of The Royal Bank states: "None of the competitors examined the merits of a currency managed without reference to the value of gold and in view of the importance attached to price stability as a factor in maintaining normal volume of business, it is hard to understand this omission."

Insurance for Buyer and Seller

HEAVY FIRE LOSS BY FARM MUTUALS AND RECIPROCALS

Ontario Figures Analyze Experience in That Province for 1931

Heavy losses suffered in Ontario during 1931 by farmers' mutual fire insurance companies, by reciprocal exchanges and to a lesser degree by cash mutuals without share capital, are indicated by the insurance abstract of the Ontario Superintendent of Insurance published this week.

Reciprocals suffered a 142 per cent loss ratio on the basis of losses paid to net premiums written, as compared with 44 per cent in 1930 while farmers' mutuals topped the 100 per cent mark at 107.6 as compared with 97.6 per cent in 1930. The next highest group was cash mutuals without share capital which showed a 66.7 per cent ratio as against 62 per cent the previous year.

The only group to show an improved ratio for the year were the cash mutuals with share capital, which suffered only a 56 per cent loss ratio as against 80.5 per cent in 1930. Joint stock companies in Ontario reported a 59 per cent ratio as against 58.8 the previous year.

Comparative tables for the various groups of companies licensed in Ontario for 1930 and 1931 are as follows:

Fire Insurance Experience in Ontario

	Net prem. written $	Net losses incurred $	Ratio %
(a)—1931			
Joint stock ..	16,704,649	9,864,833	59.0
Mutuals:			
(a) Farmers	2,093,873	2,253,907	107.6
(b) New Eng. Factory	774,128	29,206	3.8
(c) Other	746,428	362,688	48.6
Cash Mutuals:			
(a) Without share capital	1,315,138	877,042	66.7
(b) With share capital	105,679	59,447	56.2
Reciprocal Exchange ..	327,814	466,043	142.2
(b)—1930			
Joint stock ..	17,701,315	10,405,854	58.8
Mutuals:			
(a) Farmers .	1,903,075	1,857,187	97.6
(b) New Eng. Factory	793,740	30,116	3.1
(c) Other	686,787	455,641	66.3
Cash Mutuals	1,113,114	695,476	62.5
(a) Without share capital	94,586	76,175	80.5
(b) With share capital	373,676	165,113	44.2

Great West Appoint New Agency Inspector

Appointment of D. R. Ferguson to the position of inspector of agencies is announced by the Great West Life Assurance Co. of Winnipeg.

D. R. Ferguson

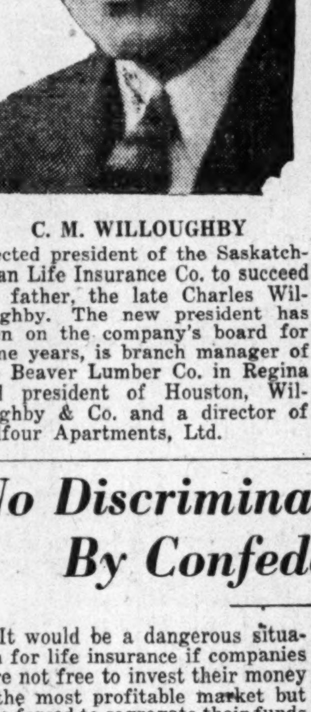
Mr. Ferguson is a son of C. C. Ferguson, general manager of the company and prior to his new appointment he was district inspector for the company in the Portage La Prairie district.

In addition to operating in every province of Canada, Great West Life also does business in the states of North Dakota, Minnesota, Michigan, Illinois and Washington, U.S.A., having branch and district offices in all principal cities in Canada and the five states mentioned above. Out of total business in force of over $616,000,000, only $75,000,000 is in force outside Canada.

Monthly Bank Clearings

Eastern Cities	April, 1931	April, 1932
Halifax	$ 12,945,439	$ 10,547,817
Saint John	10,409,064	7,320,935
Sherbrooke	3,281,115	2,631,320
Moncton	3,427,542	2,978,387
Quebec	25,591,116	17,554,361
Ottawa	27,226,043	21,484,994
Montreal	537,712,925	323,374,145
Peterboro'	3,131,800	2,444,118
Kingston	2,797,098	....
Toronto	492,247,017	342,938,447
Hamilton	22,315,384	16,717,181
Kitchener	14,633,492	3,661,934
Brantford	4,517,980	3,374,774
London	12,124,252	11,218,337
Windsor	15,835,915	10,496,382
Chatham	2,337,608	1,875,936
Sarnia	2,313,611	1,596,781
Sudbury	2,998,885	1,947,137
Western Cities		
Fort William ...	$ 2,871,004	$ 2,383,940
Winnipeg	171,261,794	156,106,100
Brandon	1,795,194	....
Regina	15,017,789	15,855,226
Saskatoon	6,946,451	5,761,126
Moose Jaw	3,532,796	2,057,412
Prince Albert ..	1,726,002	1,161,976
Edmonton	21,793,326	17,573,404
Calgary	26,781,049	20,391,079
Medicine Hat ...	962,609	633,049
Lethbridge	1,735,038	1,380,359
New Westminster	2,496,983	2,081,848
Vancouver	68,404,658	54,025,026
Victoria	8,282,314	6,237,633

Heads Saskatchewan Life



C. M. WILLOUGHBY

Elected president of the Saskatchewan Life Insurance Co. to succeed his father, the late Charles Willoughby. The new president has been on the company's board for some years, is branch manager of the Beaver Lumber Co. in Regina and president of Houston, Willoughby & Co. and a director of Balfour Apartments, Ltd.

Life Companies Show Heavy Lapse Rate

A heavy increase in surrendered and lapsed policies and a decrease in business issued during 1931 of 9.1 per cent is shown in figures covering the experience of life insurance companies operating in Ontario, published by the Superintendent of Insurance for that province this week.

Policies terminated by surrender and lapse totalled $381,481,000 or 93.5 per cent of the new business issued during the year. In 1930 the corresponding ratio was 80 per cent and in 1929, 63 per cent.

Premium income showed an increase of 3.7 per cent for the year, while total business in force in the province was lower by 3.5 per cent as compared with 1930.

Comparative figures follow:

	1931 $	1930 $
Net Prem. Income:		
Assurances:		
Ordinary	66,865,792	64,522,646
Industrial	17,930,437	18,220,846
Group	2,261,038	2,237,722
Annuities	2,017,806	966,191
Totals	89,075,075	85,947,406
Disbursements to Policyholders:		
Death claims	17,737,880	17,472,489
Matured endow. ...	4,928,129	4,809,755
Surr. values	20,058,392	14,605,073
Dividends	16,199,460	15,691,588
Other payments ...	1,360,955	1,282,989
Totals	60,284,820	53,861,521

No Discrimination Shown By Confederation in East

"It would be a dangerous situation for life insurance if companies were not free to invest their money in the most profitable market but were forced to segregate their funds in different communities," said V. R. Smith, general manager and actuary of the Confederation Life Association, when asked by The Financial Post to comment on the correspondence published on this page last week and which asserted that life companies were giving the Maritime Provinces the cold shoulder in the matter of investments.

"The great virtue of life insurance is the fact that its investments are in the nature of an international fund which can be distributed into the highest grade of investments in all parts of the world without being tied down to one particular community," he said.

Maritime Position Reviewed

"As a matter of fact the investments of Confederation Life in the Maritimes are quite equal to, if not in excess of, the corresponding reserves on our company's business in that territory. Take Nova Scotia, for instance.

"If we estimate the amount of reserve necessary for each $1,000 of business in force, as $200, that would mean that our company on its Nova Scotia business should have reserves of approximately $1,700,000. A glance through our list of security holdings as at the end of 1931 shows that we have invested $1,210,000 in Nova Scotia provincial bonds; $312,000 in Nova Scotia municipality bonds; $73,000 in Nova Scotia county bonds; and another $65,000 in the securities of two purely local Nova Scotian public utility corporations. These items alone total almost the $1,700,000 and they do not constitute our entire Nova Scotian holdings.

"We have very little mortgage money in Nova Scotia because the rates we can get on mortgages in that part of the country are low in comparison to other areas and there is not the volume of business to warrant our setting up a local organization which is essential for the safeguarding of mortgage investments. Personally, I was always under the impression that there was plenty of money available in the Maritimes to meet all mortgage needs."

Editor's Note. — In subsequent weeks The Financial Post will publish further statements from leading Canadian companies in regard their attitude concerning the distribution of life insurance company funds as between different parts of the country, and particularly as to whether or not there is discrimation on the part of life insurance companies regarding the Maritimes.

INSURANCE FIRMS IN MOTOR CAR CASE

Montreal Appeal Court to Test Legal Rights in Theft Matter

Automobile insurance companies are concerned in a legal action in Quebec which has now gone to the Court of Appeals on the question of whether the seller of a stolen automobile, after purchasing it in good faith, can be compelled to reimburse the original owner to the amount it cost him to secure possession of the car. The case affects Home Fire & Marine Insurance Co. and the Toronto General Insurance Co.

Otto Seiss, of Newark, lost his car by theft in 1922 and the Homes Fire Insurance Company paid him $3,100 under his policy, then started to look for the car. Two years later it was found in Quebec in the possession of a man named Tremblay, who declared he had purchased it from C. O. Baptist, of Three Rivers. The Home Company paid Tremblay $2,400 for the car, then tried to collect from Baptist.

Baptist, however, pleaded good faith and declared that he had bought the car from a man named Reid for $1,756 and later sold it to Tremblay. As the Toronto Casualty Company had insured Baptist it was called into the action in warranty when the case was heard before Mr. Justice de Lorimier, of the Superior Court. His Lordship dismissed the action and the judgment is now in appeal.

Reciprocal Insurers Now Taxed in Nova Scotia

Reciprocal bodies operating along the lines of insurance companies but which have not been taxed hitherto in Nova Scotia were placed under the provisions of the Provincial Revenue (Corporations) Act under an amendment given final reading at a brief session of the Nova Scotia Legislature

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Markets

WEEK ENDING MAY 2

Range 1932 High	Range 1932 Low	Divd. Rate in $	Yield in % Apr. 30		Sales	Close Apr. 25 (or last)	Week Ending —May 2— High	Low	Close
3¼	1	.	...	Abitibi	185	1½	1	1	1
10	5	.	...	Do. pref.	50	5½	5	5	5
x105	80	.	...	Do. pref.	....	80½	..	..	..
80	80	7	8.8	Acme F. D'y, p	....	80	..	..	..
5	4½	.	...	Agnew Surp.	....	5	..	..	..
70	70	7	10	Do. pref.	....	70	..	..	..
7	3½	.	...	Alta. Pac. Gr.	100	4	4	4	4
25	19	.	...	Do. pref.	....	20	..	..	..
3¼	2½	.	...	Amal. Electric	....	3¼	..	..	..
10¾	9	.	...	Do. pref.	25	10½	10½	10½	10½
x3½	2½	.	...	Anglo N. Hold.	....	3½	..	..	..
.37	.15	.	...	Asbestos	....	.15	..	..	..
1.00	.60	.	...	Do. pref.	....	.60	..	..	..
6	4½	60c	12	Assoc. Brew.	301	4¾	5	4½	5
70	68¼	7	10.2	Do. pref.	5	70	68¼	68¼	68¼
x10	3	.	...	Assoc. Can.	....	3	..	..	..
x69	65	4	...	Assoc. Tele.	....	..	..	..	..
25	16	.	...	Atlan. Sugar	175	22	25	22¼	23
92½	92	.	...	Do. pref.	....	92½	..	..	..
159¾	159¾	10	6.3	Bk. Can. Nat.*	....	159¾	..	..	..
225	215	12	5.6	Bk. Montreal*	....	215	..	..	..
274	267	16	5.9	Bk. N. Scotia*	....	269	..	..	..
193	183	12	6.5	Bk. Toronto*	....	183	..	..	..
x24	8½	.	...	Barcelona	....	..	..	..	..
3	2½	.	...	Bathurst Pr.	....	2¾	..	..	..
1	1	.	...	Do. (B)	....	1	..	..	..
‡26	26	.	...	Bawlf Grain	....	..	..	..	..
x25	20	.	...	Do. pref.	....	..	..	..	..
5	5	.	...	Beath & Sons	325	5	5	5	5
10¼	10	.	...	Beatty Bros. A	....	10¼	..	..	..
60	50	6	12	Do. pref.	10	55	50	50	50
3.50	.50	.	...	Beauharnois	3127	.85	.85	.60	.70
x93	55	7	...	Belding Cort.	....	..	..	..	..
65	65	7	...	Do. pref.	....	65	..	..	..
120	85	8	9.3	Bell Telephone	1359	85	86	85	85½
3	2	.	...	Biltmore Hats	....	3	..	..	..
50	50	7	...	Do. pref.	....	50	..	..	..
4	2	.	...	Bissell, T. E.	....	2	..	..	..
‡97	88	.	...	Do. pref.	....	..	..	..	..
8	3	.	...	Blue Ribbon	36	3	3	3	3
25	12	2	11.1	Do. pref.	51	15	19¾	18	19¾
20	17½	2	10.5	Brant Cd. pf.	107	19	19	18½	19
14¾	9	2⅝	..	Brazilian Tr.	3488	9¼	9⅞	9	9
x¾	¾	.	...	Brew. & Distil.	....	¾	..	..	..
1	⅜	.	...	Brewing Corp.	101	½	½	½	½
3½	1¼	.	...	Do. pref.	57	2	2	1¾	1¾
11¼	8½	80c	9	Brit. Amer. Oil	1931	8¾	9	8¾	8¾
1¾	¾	.	...	B.C. Packers	....	¾	..	..	..
6¼	4½	.	...	Do. pref.	....	5	..	..	..
26	16½	2	11.4	B.C. Power (A)	606	17¾	17½	16¾	17½
7½	3½	.	...	Do. (B)	200	4	3⅞	3¾	3¾
4	4	.	...	Bruck S. Mills	....	4	..	..	..
20¼	14½	2	13.3	Building Prod.	....	15	..	..	..
32	19	3	14.3	Burt, F. N.	135	19	21½	21	21
125	125	6	4.8	Calgary Pr.	....	125	..	..	..
3	2	.	...	Canada Bread	110	2	2½	2	2½
85	82	7	8.4	Do. pref. (A)	....	83	..	..	..
25	25	2	8	Do. pref. B.	....	25	..	..	..
9	6¾	1	13.7	Canada Bud	150	7⅜	7¾	7½	7½
7	3½	.	...	Canada Cement	528	3⅞	4⅞	3⅞	4
66	30	6.50	16.2	Do. pref.	770	40	44¾	37	39
b13½	6¾	1.20	13	Canada Dry	1500	8¾	9¾	8½	8½
6	5	.	...	Can. Forg. (A)	....	5	..	..	..
7½	2	.	...	Do. (B)	....	7½	..	..	..
x68	60	3	...	Canada Iron	....	60	..	..	..
x80	75	6	...	Do. pref.	....	80	..	..	..
x650	630	20	...	Canada Life	....	..	..	..	..
14¾	9¼	1.50	13.6	Can. Malting	310	11	11½	11	11
15	13	80c	5.7	Can. Nor. Pr.	....	14	..	..	..
92	76	7	9.2	Do. pref.	1	78	76	76	76
x6	⅜	.	...	Can. Paving	....	⅜	..	..	..
x51	10⅛	.	...	Do. pref.	....	10½	..	..	..
186	185	12	6.5	Can. Perman.*	....	185	..	..	..
1	½	.	...	Can. Pr. & Pa.	....	½	..	..	..
2½	2	.	...	Can. Steamsh's	....	2½	..	..	..
9	4	.	...	Do. pref.	....	8	..	..	..
16	13½	1.60	11.8	Can. Vinegars	100	14	13¼	13¼	13¼
55	41⅞	4	9.7	Can. W. Cable	660	42	42⅞	41⅞	41⅞
18	9¾	.	...	Do. (B)	295	9⅞	9⅞	9⅞	9⅞
1½	1¼	.	...	Can. Bakeries	....	1¼	..	..	..
14	11	.	...	Do. pref.	65	11	12	12	12
191	186	12	6.4	Can. Bk. Com.*	....	186	..	..	..
13½	9⅜	1.25	13.1	Can. Bronze	14	9⅜	9½	9½	9½
102	102	7	6.9	Do. pref.	....	102	..	..	..
x13¼	8	20c	..	Can. Canners*	....	8	..	..	..
80	80	6	7.5	Do. 1st pf.*	....	80	..	..	..
9	9	68c	7.5	Do. 2nd pf.*	....	9	..	..	..
7½	4	60c	13.7	Can. Car & F'y	137	4¼	4¼	4	4¼
16	11¼	1.75	13.7	Do. pref.	274	12⅞	13¼	12½	13
6	3⅛	.	...	Can. Celanese	225	4	4	4	4
60	51½	7	13.6	Do. pref.	5	51½	51½	51½	51½
20	20	2	10	Can. Convert.	....	20	..	..	..
‡50	45	.	...	Can. Cottons	....	..	..	..	..
60	60	6	10	Do. pref.	....	60	..	..	..
17	11	.	...	Can. Dredge	35	11	11¾	11¾	11¾
x92	92	7	...	Do. pref.	....	..	..	..	..
68	60	6	10	Can. Fairb. pf.	....	60	..	..	..
4	2⅜	.	...	Can. For. Inv.	....	3½	..	..	..
65	65	.	...	Do. pref.	....	65	..	..	..
180	179	4	2.2	Can. Gen. Elec.	....	180	..	..	..
59	53½	3.50	6.5	Do. pref.	71	54	54	53½	53½
66	40	6	15	Can. Hyd. El. p	201	40	41	40	40
1.50	.75	.	...	Can. Ind. Alc.	60	.80	.80	.75	.75
.80	.50	.	...	Do. (B)	50	.50	.50	.50	.50
x5.00	3.95	.	...	Can. Int. I. Tr.	....	3.95	..	..	..
x70	64½	.	...	Do. pref.	....	65	..	..	..
20	20	1	5	Can. Lt. & Pr.	....	20	..	..	..
1¼	1¼	.	...	Can. Locomo.	....	1¼	..	..	..
x25	5	.	...	Do. pref.	....	5	..	..	..
b1¼	¾	.	...	Can. Marconi	2000	⅞	⅞	¾	¾
13	8¾	1	10	Canadian Oil	45	9	10	8¾	8¾
98	95	8	8.4	Do. pref.	....	95	..	..	..
22¼	12	1.25	9.8	Can. Pacific	8490	14	14	12	12½
x6½	5	.	...	C. Pr. & P. Inv	....	5	..	..	..
2¼	2	.	...	Can. Vickers	....	2¼	..	..	..
20¼	20¼	.	...	Do. pref.	....	20¼	..	..	..
2¾	2	20c	10	Can. Winerles	85	2	2	2	2
7½	5¼	1	17.4	Can. Wire Box	....	5¾	..	..	..
12	8¾	.	...	Catelli Mac. A	5	9	8¾	8¾	8¾
x5	5	.	...	Do. (B)	....	5	..	..	..
x301	290	12+2	4.7	Cent. Can. L'n*	....	300	..	..	..
2.05	.50	.	...	Chem. Research	1750	.50	.60	.50	.60
7.25	4.50	30c(c)	..	Cities Service	....	6.00	..	..	..
6	4	.	...	Cockshutt Plow	85	4	4	4	4
2	1	.	...	Comm. Alcohol	....	1	..	..	..
3¾	1	.	...	Conduits	....	1	..	..	..
x94	84	.	...	Do. pref.	....	90	..	..	..
8	5	1	16.7	Cons. Bakeries	336	6	6⅜	6	6
1	¼	.	...	Cons. Food Pr.	....	¼	..	..	..
x6	3	.	...	Do. (A)	....	3	..	..	..
5	3	.	...	Cons. Indust.	....	4	..	..	..
4	4	.	...	Cons. Paper	....	4	..	..	..
15	15	.	...	Cons. Press	....	15	..	..	..
35	30	4	11.4	Cons. Sand. pf.	....	35	..	..	..
75	35	2.50†	6.5	Cons. Smelt.	957	40	42	37½	38
166	142	10	6.9	Consumers Gas	54	145	145	142	145
‡35	30	.	...	Cooksville Co.	....	..	..	..	..
‡85	85	.	...	Do. pref.	....	..	..	..	..
‡90	90	.	...	Corr. P. Box pf	....	..	..	..	..
3½	2¾	.	...	Cosgrave Brew.	....	3	..	..	..
5	3½	.	...	Cosmos Imp.	....	3¾	..	..	..
68	48	7	14.6	Do. pref.	15	48	48	48	48
3	2	.	...	Crown Do. Oil	115	2¼	2	2	2
13	9	3	...	Crow's N. Coal	....	10½	..	..	..
1¼	1¼	.	...	David & Fre. B	....	1½	..	..	..
x12½	12½	.	...	De Havilland	....	12½	..	..	..
15	10	.	...	Do. pref.	....	10	..	..	..
x9	5	.	...	Disher Steel	....	5	..	..	..
x10	10	1.50	..	Do. pref.	....	10	..	..	..
6⅞	3⅝	.	...	Distill-Seagram	526	3⅝	3¾	3⅝	3⅝
7	7	.	...	Dodge "A" pf.	....	7	..	..	..
2	1¾	.	...	Do. "B"	25	2	2	2	2
194	189	12	6.3	Dominion Bk.*	....	189	..	..	..
27	12⅞	2.50	..	Dom. Bridge	440	27	13¾	12⅞	13
x40	40	.	...	Dom. Coal	....	40	..	..	..
22½	21	.	...	Dom. Engineer	....	21	..	..	..
65	48	5	10.4	Dom. Glass	....	48	..	..	..
112	100	7	7	Do. pref.	....	100	..	..	..
5½	2	20c	10	Dom. Motors	110	2¼	2¼	2	2
7½	3½	.	...	Dom. Pr. Stubs	5	6¼	6½	6½	6½
2¼	1	.	...	Dom. St. & C B	125	1½	1¼	1½	1¼
20	15¼	1.20+30c	9.3	Dom. Stores	1255	16¼	17	15½	15½
5	2¼	.	...	Dom. Tar & Ch	....	3	..	..	..
x95	79½	6.50	..	Do. pref.	....	79½	..	..	..
63¼	39	5	12.5	Dom. Textile	110	40	40	40	40
105	100	7	7	Do. pref.	....	100	..	..	..
x12	10	.	...	Donnacona	....	10	..	..	..
2	1	.	...	Dryden Paper	125	1¼	1	1	1
4	2	.	...	Duff. Paving	....	2	..	..	..
49	45	7	15.5	Do. pref.	....	45	..	..	..
20	20	.	...	East Koot. Pr.	....	20	..	..	..
x97	94½	.	...	Do. pref.	....	96	..	..	..
16	10	1	10	East Dairies	....	10	..	..	..
x20	16	1	...	East. Steel*	....	16	..	..	..
x100	97	7	...	Do. pref.*	....	98	..	..	..
‡34	28½	2	...	East. Theatres	....	..	..	..	..
‡85	80	7	...	Do. pref.	....	..	..	..	..
x3½	3⅜	.	...	Easy Washer	....	3¾	..	..	..
x37	34¾	1.50	...	Economic Inv.*	....	37	..	..	..
x15	15	.	...	Edmonton D'y	....	15	..	..	..
x80	78⅜	6.50	..	Do. pref.	....	78⅜	..	..	..
4	4	.	...	Enam. & Heat.	....	4	..	..	..
19	13	3	23	Eng. Electric	....	13	..	..	..
2½	1½	.	...	Do. (B)	10	1½	2	1¾	2
6	6	2	...	Fam. Players	....	6	..	..	..
x33½	18	2	..	Do. Vot. Tr.	....	..	..	..	..
10	9	1	11.1	Fanny Farmer	....	9	..	..	..
29	28	2.40	8.6	Do. pref.	....	28	..	..	..
‡83½	75	.	...	Firstbrook Box	....	..	..	..	..
16¾	7¼	.	...	Ford Motors A	1941	8⅞	9⅜	8	8¼
3¾	2	.	...	For. Pr. Secs.	....	2	..	..	..
9	6	50c	8.3	Foundation Co.	5	6	6	6	6
1.25	.75	.	...	Fraser Cos.	....	.75	..	..	..
50	50	.	...	Front. Brew. p.	....	50	..	..	..
x8	5	.	...	Frost Steel	....	7	..	..	..
x96½	85	.	...	Do. pref.	....	..	..	..	..
2	1½	.	...	Gen. St. Wares	30	1½	1¼	1¼	1¼
82	56	5	8.6	Goodyear Tire.	20	58	58	58	58
93½	80	7	8.7	Do. pref.	35	88	80	80	80
x93½	93½	.	...	Gould Pumps p	....	..	..	..	..
¾	¾	.	...	Gt. W. Saddlery	....	¾	..	..	..
x8	6	.	...	Do. pref.	....	8	..	..	..
21	11½	1.60	13.6	Gurd, Chas.	95	12	12	11¾	12
106	106	7	6.6	Do. pref.	....	106	..	..	..
5	2¾	.	...	Gypsum, Lime.	620	3	3⅛	2¾	3
7	2	.	...	Ham. Bridge	70	3⅝	3	2½	3
60	60	6.50	10.8	Do. pref.	....	60	..	..	..
10	6	.	...	Ham. Cot. pf.	....	6	..	..	..
2	1½	.	...	Ham. U. Theat.	....	2	..	..	..
53	48	7	14	Do. pref.	5	50	50	50	50
4	3	.	...	Hayes Wheel	....	3	..	..	..
‡95	80	.	...	Do. pref.	....	..	..	..	..
‡50	50	.	...	Hillcrest Coll.	....	..	..	..	..
‡91	91	.	...	Do. pref.	....	..	..	..	..
2	1	.	...	Hinde & Dauch	....	1¼	..	..	..
x75	75	.	...	Holt Renfrew	....	..	..	..	..
‡96½	90	7	...	Do. pref.	....	..	..	..	..
3½	½	.	...	Honey Dew	....	1	..	..	..
40	20	.	...	Do. pref.	35	20	20	20	20
4	2½	.	...	H. Smith Pap.	50	2½	2½	2½	2½
27	20	.	...	Do. pref.	25	20	20	20	20
21¼	15	2	11.8	Humberstone S.	10	17	17	17	17
17¾	16⅝	1.40	8.4	Hunt (A)	....	16⅝	..	..	..
x23¼	18½	1.40	...	Do. 1 (B)	....	..	..	..	..
x150	143	8	5.5	Huron & E M*	....	144	..	..	..
x29¼	28	.	...	Do. 20% pd.	....	28	..	..	..
11¼	5½	.	...	Hydro Electric	....	7½	..	..	..
193	188	12	6.4	Imperial Bank*	....	188	..	..	..
10⅛	7½	50c	5.9	Imperial Oil	10616	8	8¾	8	8½
9⅞	6½	35+17½c	7.8	Imperial Tob	2571	7¼	7½	6½	6½
x80	80	8	..	Inter. Coal, p.	....	..	..	..	..
x29	9⅛	2a	...	Int. Hyd. E. A	....	..	..	..	..
97	94½	7	7.4	Inter. Mill. pf.	8	94¼	94¼	94¼	94¼
x80	80	6	...	Do. Series A	....	..	..	..	..
11	5¾	.	...	Inter. Nickel	12486	6½	6¾	5¾	5¾
4	4	.	...	Inter. Paints	....	4	..	..	..
b2½	1	.	...	Int. Pa. & P A	....	1	..	..	..
b1	1	.	...	Do. (B)	....	1	..	..	..
b¾	⅜	.	...	Do. (C)	....	⅜	..	..	..
b11	3½	.	...	Do. pref.	500	4	4½	3¾	3¾
11¾	9⅞	1	9.1	Inter. Pete.	4982	10⅜	11¼	10¼	11
x8	5	.	...	Inter. Power	....	5	..	..	..
x78	56½	.	...	Do. pref.	....	57	..	..	..
9⅞	5	.	...	Int. Util. (A)	....	6¼	..	..	..
3	1	.	...	Do. (B)	10	1½	1	1	1
x40	40	1	...	Jam. Pub. Ser.	....	..	..	..	..
x109	99¾	7	...	Do. pref.	....	..	..	..	..
4	3½	.	...	Kelvinator	....	3½	..	..	..
90	88	7	7.8	Do. pref.	....	90	..	..	..
7	4½	.	...	Lake of Woods	95	5½	5	4½	4½
x101	82	.	...	Do. pref.	....	..	..	..	..
x140	140	8	5.7	Landed Bank.*	....	140	..	..	..
39	33	3	8.6	Laura Secord	45	35	35	35	35
8	4	.	...	Lindsay, C. W.	5	5	4	4	4
60	50	6.50	13	Do. pref.	....	50	..	..	..
10¼	9⅜	80c	8.3	Loblaw (A)	165	9¾	9⅝	9½	9⅝
10¼	8¾	80c	8.4	Do. (B)	18	9	9½	9	9
‡2¾	2¾	.	...	Loew's, London	....	..	..	..	..
x25	19	.	...	MacKin. Steel.	....	20	..	..	..
x95	90	7	...	Do. pref.	....	91	..	..	..
6½	6½	.	...	Manitoba Pr.	....	6½	..	..	..
5	2	.	...	Maple Leaf	5	5	3	3	3
20½	10	.	...	Do. pref.	15	12	11	10	10
x38	30	.	...	Marcus Loew's	....	..	..	..	..
60	52	.	...	Do. pref.	....	52	..	..	..
4½	2¾	.	...	Massey-Harris	275	3	3	2⅞	3
10½	7	60c	6.6	McColl Fron.	1672	8	9¼	8½	8½
x80	69¾	6	...	Do. pref.	....	76	..	..	..
x45	35	.	...	Mexican L & P	....	..	..	..	..
‡25	25	.	...	Mercury Mills	....	..	..	..	..
‡89	58½	.	...	Do. pref.	....	..	..	..	..
x40½	40	.	...	Mitchell, J. S.	....	40	..	..	..
105	105	7	6.7	Do. pref.	35	105	105	105	105
8	5	.	...	Mitchell, Robt.	....	5	..	..	..
x1	1	.	...	Monarch Knit.	....	1	..	..	..
30	23	.	...	Do. pref.	....	25	..	..	..
75	75	6	8	Montreal Cot.	....	75	..	..	..
x102	98	7	..	Do. pref.	....	..	..	..	..
2½	2½	.	...	Montreal Exhib.	....	2½	..	..	..
9¾	7	.	...	Mont. Is. Pr.	2	7	9¾	9¾	9¾
38	26½	1.50	5.2	Mont. L. & Pr.	11868	36	29½	26½	28¼
x49½	48	3+25	6.8	Montreal Loan	....	48	..	..	..
47	43	3.20	7.3	Montreal Tele.	....	44	..	..	..
150	101	10	9.9	Mont. Trams.	65	101	101	101	101
10	7	50c	7.1	Moore Corp.	170	7	7	7	7
93	70	7	10	Do. (A)	2	70	70	70	70
97	90	7	7.8	Do. (B)	....	90	..	..	..
‡10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
‡49	49	.	...	Do. pref.	....	..	..	..	..
2	1½	10c	...	Muirheads	....	1½	..	..	..
9	8	75c	..	Do. pref.	....	9	..	..	..
24	24	1.60	6.7	Nat. Brew.*	....	24	..	..	..
x35	27	1.75	...	Do. pref.	....	31	..	..	..
‡10	3	.	...	Nat. Brick	....	..	..	..	..
3	3	.	...	Do. pref.	....	3	..	..	..
x.50	.25	.	...	Nat. Distiller.	....	..	..	..	..
12½	8¼	2	19.5	Nat. Steel Car.	575	10	10½	10	10
255	245	14	5.7	National Tr.*	....	245	..	..	..
10	10	1	10	Niag. W. Weav.	....	10	..	..	..
x36	22	3	..	Do. pref.	....	32	..	..	..
2.50	1.75	.	...	North Star Oil	....	1.75	..	..	..
4.00	4.00	35c	8.7	Do. pref.	....	4.00	..	..	..
‡25	22¼	.	...	N.S. Steel. pf.	....	..	..	..	..
x285	125	8	...	Ogilvie Flour*	....	185	..	..	..
105	99	7	7	Do. pref.	....	100	..	..	..
9	7	40c	5.7	Ont. Eq. 10% p	....	7	..	..	..
100	100	6	6	Ontario Loan*	....	100	..	..	..
x7	5	.	...	Ont. Silknit	....	7	..	..	..
x16	13	.	...	Ont. Steel	....	13	..	..	..
‡105	105	7	...	Do. pref.	....	..	..	..	..
x1¼	¾	.	...	Orange Crush.	....	¾	..	..	..
45	36	7	19.4	Do. (A)	....	36	..	..	..
x5½	1	.	...	Do. (B)	....	1	..	..	..
100	100	6	6	Ott. L. H. & P*	....	100	..	..	..
100	93	6.50	6.9	Do. pref.	....	93	..	..	..
x25	25	.	...	Ott. Traction	....	25	..	..	..
68	36	5	11.3	Page Hersey	406	43¾	45⅛	43½	44
b11½	3¼	.	...	Paramount	33100	4⅛	4⅛	3⅛	3¼
x35	30	.	...	Paton Mfg.	....	30	..	..	..
x94	92	7	...	Do. pref.	....	94	..	..	..
⅜	⅜	.	...	Pelissiers	....	⅜	..	..	..
x30	25	.	...	Do. pref.	....	..	..	..	..
28	21	3	12	Penmans	....	25	..	..	..
x101	93	6	...	Do. pref.	....	97	..	..	..
19½	12	2	16.7	Photo Eng.	85	14⅞	12	12	12
x40	10	.	...	Port Alfred, pf.	....	..	..	..	..
x70	64	7	...	Porto Rico Pr p	....	70	..	..	..
b9	3½	.	...	Postal Tele. p.	....	..	..	..	..
36½	36¼	2	5.5	Power Corp.*	....	36½	..	..	..
90	68½	6	8.7	Do. pref.	....	68½	..	..	..
2	2	.	...	Prairie C. Oil.	....	2	..	..	..
10	6½	.	...	Pressed Metals	....	6¾	..	..	..
x42¾	25	.	...	Price Bros.*	....	25	..	..	..
x99	70	.	...	Do. pref.*	....	70	..	..	..
29	14	1.50	10.1	Quebec Power	401	15½	16	14⅞	16
x110	105	7	6.7	Real Estate L*	....	105	..	..	..
2	1	.	...	Regent Knit.	....	1	..	..	..
6	6	.	...	Reliance Grain	....	6	..	..	..
12	8½	2	23.5	River. S. Mills.	20	10	8½	8½	8½
12	12	1.50	12.5	Robinson Cone	....	12	..	..	..
4	2½	.	...	Rogers Majes.	....	3	..	..	..
x291	231	12	5.2	Royal Bank*	....	231	..	..	..
x84	75	.	...	Ruddy, E. L. p	....	75	..	..	..
33	33	2	6.1	Russell Motor	....	33	..	..	..
70	55	7	11.7	Do. pref.	4	61½	60	55	55
4	3	.	...	Sarnia Br. (A)	....	3	..	..	..
1	1	.	...	Do. (B)	....	1	..	..	..
7	3	.	...	Serv. Station	400	4⅞	4	4	4
46	30	3	9.9	Do. pref.	50	30	30¼	30¼	30¼
33	33	1	3	Shawinigan*	....	33	..	..	..
20	7	.	...	Sher.-Wms.	50	7	7	7	7
x121	112	7	...	Do. pref.	....	115	..	..	..
17	5	.	...	Simon & Son	....	5	..	..	..
80	75	7	9.3	Do. pref.	10	80	75	75	75
55½	13	.	...	Simpson, Ltd.	75	15	13	13	13
x44½	36	.	...	Do. (A)	....	..	..	..	..
x35½	24½	.	...	Do. (B)	....	..	..	..	..
x108	100	6	...	Simpson, R., p.	....	..	..	..	..
26	15	1	6.7	So. Can. Pr.	45	15	15	15	15
90	87½	6	6.8	Do. pref.	40	88	88	88	88
1.00	.50	.	...	St. Law. Corp.	85	.50	.55	.55	.55
4	2	.	...	Do. (A)	10	2½	2½	2½	2½
12	9½	.	...	St. Law. Flour.	....	12	..	..	..
x85	82	7	...	Do. pref.	....	85	..	..	..
11	8	.	...	St. Law. Pap. p	....	8	..	..	..
x30	4	.	...	St. Maur. V. p	....	4	..	..	..
3	1½	.	...	St. Pav. & Mat.	....	1½	..	..	..
46	30	4	13.3	Do. pref.	....	30	..	..	..
x1	1	.	...	Stanfords	....	1	..	..	..
5	4	1	...	Stand. Chem.	....	5	..	..	..
3¼	2	.	...	Stand. Steel	5	3	2½	2½	2½
x35	30	3	...	Do. pref.	....	30	..	..	..
24	15	1.75	11.3	Steel of Can.	295	15½	16	15¼	15½
29	22	1.75	7.6	Do. pref.	210	23½	24	22	22
½	½	.	...	Sterling Coal	....	½	..	..	..
18½	12	1	7.4	Sup. Pete. ord.	95	14	14	13½	13½
x31	14	1	...	Do. com.	....	15	..	..	..
98	95	7	7.3	Do. pref.	....	96	..	..	..
42	36	.	...	Tamblyn	....	42	..	..	..
100½	95	7	7.1	Do. pref.	10	98	98	98	98
18	17	3.50	20.5	Thayers, pf.	....	17	..	..	..
7	3	.	...	Tip Top Tailors	10	3½	3	3	3
67	67	7	10.4	Do. pref.	....	67	..	..	..
x22	10	.	...	Tooke Bros.	....	10	..	..	..
x67	48¼	.	...	Do. pref.	....	48¼	..	..	..
13	11	.	...	Tor. Elevators	....	11	..	..	..
210	210	12	5.7	Tor. Gen. Tr.*	....	210	..	..	..
x215	108	6	5.4	Toronto Mtge.*	....	110	..	..	..
x3	1	.	...	Traymore	....	1¼	..	..	..
x12½	7	.	...	Do. pref.	....	7	..	..	..
120	113¼	7	6.1	Tuckett Tob. p.	30	113½	114	113¼	114
4	2	.	...	Twin City	....	2	..	..	..
b24½	9	.	...	Do. pref.	....	..	..	..	..
37	31	.	...	Do. (notes)	....	31	..	..	..
5	2⅞	.	...	Union Gas	55	3	3	2⅞	3
100	100	7	7	Union Trust*	....	100	..	..	..
x8	3	.	...	United Fuel	....	6½	..	..	..
15	10	.	...	Do. pref.	....	10	..	..	..
24⅝	24⅝	2	8.1	United Secs.	100	..	24⅝	24⅝	24⅝
11	5	.	...	Viau Biscuit	....	5	..	..	..
75	60	7	11.7	Do. pref.	....	60	..	..	..
12	7½	.	...	Wabasso Cot.	....	7½	..	..	..
5¾	2½	25c	7.7	Walker-Good.	943	3	3½	2¾	3
12	9	.	...	Do. pref.	3797	9½	9¾	9	9½
3¾	2	.	...	Waterloo Mfg.	225	2	2	2	2
80	75	7	9	W. Koot. Pr. p.	....	80	..	..	..
8	6	.	...	West. C. Flour	....	6	..	..	..
x96	70	6.50	..	Do. pref.	....	70	..	..	..
11	10	.	...	West. Grocers.	....	11	..	..	..
46	43	7	15.2	Do. pref.	....	46	..	..	..
x91	85	.	...	W. Steel Pr. p	....	..	..	..	..
x45	30	1	...	Weston Bisc.*	....	38	..	..	..
x90	79	7	...	Do. pref.*	....	79	..	..	..
10	10	.	...	Windsor Hotel.	....	10	..	..	..
x73	71	6.50	...	Do. pref.	....	71	..	..	..
8	2	.	...	Winnipeg Elec.	1075	2¾	2½	2	2
x81½	49	.	...	Do. pref.	....	50	..	..	..
x46	36	.	...	Woods Mfg. p.	....	36	..	..	..

x Quotations for 1931. No sales recorded in 1932 to date.
a Or payable in stock.
b New York Quotations.
‡ Quotations for 1930.
c 2½c monthly plus stock dividend of ½ of 1% monthly.
† Plus stock bonus.
§ 2% stock dividend payable June 1; 25c. cash paid Mar. 1, 1932.
* Minimum price is set, below which trading is not permitted for time being. List of minimum prices is given elsewhere.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a price is better than none at all.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers—Toronto
May 3, 1932

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.30	.45
Acadia Sugar pfd.	2.25	....
Acme Farmers Dairy pfd.	58.00	....
Agnew Surpass pfd.	67.00	72.00
Allens Lond. pfd.	30.00	....
Andian Nat. Corp.	16.00	18.00
B.C. Pulp & Paper com.	....	3.00
B.C. Pulp & Paper 7% pfd.	12.25	16.50
Can. & Dom. Sugar com.	16.00	17.50
Can. Mach. c.	2.50	4.50
Can. Mach. 7% pf.	24.00	30.50
Can. Packers c.	8.25	11.00
Can. Packers 7% pfd.	67.50	69.50
Can. Starch pfd.	67.00	71.00
Can. Tea pfd.	56.00	....
Can. Wire & Cable pfd. W.W.	76.00	79.00
Can. Celanese pfd.	....	53.00
Can. Indust. c. 'A'	55.00	....
Do., "B"	55.00	62.00
Do., 7% pfd.	98.00	101.00
Can. Westinghouse	44.00	46.50
Chase, A. W. Units	34.50	38.50
Claude Neon Units	35.00	40.00
Dodge Mfg. "A" pfd.	7.00	....
Dom. Foundries & Steel c.	8.25	9.25
& Steel pfd.	65.00	....
Dom. Mfrs. pfd.	65.00	70.00
Dom. Tar pfd.	....	47.00
Dunlop Tire 7% pfd.	39.50	45.00
Eastern Car 6% pfd.	40.00	....
Eastern Dairy pfd.	....	85.00
Fed. Grain pfd.	23.00	28.00
Goderich Elevator & Transit	12.50	14.00
Greening Wire 7% pfd.	80.50	84.00
Guard. Rlty pfd.	....	32.00
Guelph Carpet pf.	70.00	75.00
Harding Carp. pf.	....	50.00
Inter City Bak. c.	38.00	46.00
Internat. Proprietaries "A"	19.00	22.00
Langleys pref.	....	50.00
Loew's London c.	....	1.75
Loew's London pf.	3.50	5.00
Massey Harris pf.	9.50	11.00
Morrow Screw Nut 7% pfd.	92.50	97.50
Mt. Royal Hotel com.	1.30	2.50
Mt. Royal Hotel 6% pfd.	8.50	11.00
Nat. Grocers c.	.60	1.40
Nat. Grocers 2nd 7% pfd.	30.00	35.00
Para. Oshawa c.	9.25	....
Prov. Paper pfd.	45.00	50.00
Rolland Paper pfd. W.W.	35.00	39.00
Standard Fuel pfd. bonus	55.00	60.00
Standard Clay Products c.	20.00	25.00
Supertest Petroleum "B" pfd.	15.50	....
Toronto Brick pf.	40.00	58.00
Toronto Carpet c.	....	106.00
Toronto Carpet 8% pfd.	....	91.00
Toronto Elevators 7% pfd.	65.00	71.00
Toronto Hous. c.	22.00	30.00
Un. Amuse. "A"	17.00	....
Western Grain pf.	10.00	14.00
Willards Chocolates pfd.	26.00	35.00
Insurance Stocks:		
Brit. Amer. Assce.	28.00	....
Canada Life Ass.	430.00	465.00
Canada Nat. Fire	14.00	17.00
Can. Fire Ins.	68.00	78.00
Capital Life 20% pd.	11.00	16.00

Insurance Stocks:	Bid	Asked
Confederation Life 20% pd.	155.00	170.00
Continental Life 20% pd.	55.00	61.00
Crown Life Ins.	98.00	....
Dominion Fire	85.00	95.00
Dom. Life 50% pd.	285.00	310.00
Dom. of Can. Gen. Ins.	150.00	170.00
Excelsior Life 30% pd.	80.00	90.00
Fidelity Ins. of Canada	....	70.00
Great West Life	245.00	265.00
Guarantee Co. of N. A.	241.00	....
Halifax Fire	9.75	13.00
Imperial Life	300.00	330.00
Mfrs. Life	240.00	260.00
Monarch Life 10% pd.	19.00	25.00
Nat. Life 25% pd.	95.00	110.00
Saskatchewan Life 10% pd.	....	18.00
Sovereign Life 25% pd.	16.00	20.50
Sun Life Assur.	285.00	325.00
Western Assur. c.	18.00	21.00
Western Life 20% pd.	9.00	13.50
Trust & Loan Stocks:		
Br. Mtge. & Tr.	175.00	....
Can. Gen. Investments Ltd.	3.00	3.75
Chartered Trust	80.00	86.00
Deb. & Sec. c.	....	30.00
Deb. & Sec. pfd.	....	48.00
Eastern Can. Sav. & Loan	110.00	130.00
Eastern Trust	140.00	....
Guelph & Ont. Inv. par $50	51.00	62.00
Investment Foundation Units	18.00	22.00
Lambton Loan & Savings	65.00	75.00
London & Western Trust	100.00	105.00
Midland Loan & Savings	15.00	....
Mtge. Disc. pfd.	3.00	3.75
Mutual Fin. pfd.	....	4.00
Mutual Fin. c.	....	4.00
Premier Trust	75.00	85.00
Sherbrooke Tr.	100.00	125.00
Security Loan & Savings	101.00	115.00
Sterling Trust	....	89.00
Traders Fin. c.	....	3.50
Traders Fin. pfd.	28.00	35.00
Trusts & Guar.	56.00	62.00
Victoria Trust & Savings	170.00	....
Waterloo Trust & Savings	100.00	120.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	87.00	91.50
Calgary Pwr. pfd.	58.00	62.00
Can. Light & Pwr. com.	10.50	20.00
Can. West. Nat. Gas LH&P c.	18.00	23.00
Can. West. Nat. Gas LH&P pfd.	57.00	63.00
Great Lakes Power pfd.	....	70.00
N.B. Pwr. 1st pf.	....	50.00
N.B. Tel. c.	7.25	9.75
N.S. L&P pfd.	60.00	73.00
Ottawa LH&P 6½% pfd.	....	98.50

Recent London Quotations:

Brewer Distillers	2s.
Can. & For. Sec	3s. 9d.
Can. West. Lumber	1s. 6d.
Hudson's Bay	17s. 6d.
Do., 5%	62s. 6d.
Internat. Holdings	$1
Nld. Pr. & Pap. deb. stock "B"	85
Trust & Loan of Can.	5s.

Listed Bond Quotations

Week Ending May 2

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1932 High	Low
Abitibi, 1st mtge.	5	1953	...	...	...	...	46	34½
Asbestos	5	1942	...	49	49	...	65¼	49
Asbestos, 1st mtge.	6	1941	...	...	...	...	*20	14
Do., gen. mtge.	6	1956	...	†13	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	*69¾	...
Can. Cottons	5	1940	...	...	...	...	*91	90
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	‡96	...
Can. Pr. (Laur.)	5½	1958	...	...	...	...	7	7
Do. (Way. Ser.)	5½	1958	...	†9¾	...	...	*28½	5½
Can. S. S. deb.	5	1943	...	...	...	...	‡98½	...
Cedars Rapids	5	1953	5.15	†100	97⅝	...	100	97⅝
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dom. Coal	5	1940	...	...	...	...	*98½	98
McNish	6	1948	...	†2.00	...	...	1.25	...
Mex. L. & Pr.	5	1940	...	...	...	...	*73½	70¼
Mont. L.H.&P. debs.	3	1939	...	...	40¼	40	40¼	40
Mont. Tr. 1st mtge.	5	1941	6.32	91	...	...	93¾	91
Mont. Tr. "A"	5	1955	7.30	72	74½	72	80¾	73½
Mont. Tr. G. & R. "B"	5	1955	6.75	...	...	...	79¾	78¾
Do., "C"	4½	1955	...	...	...	...	*85	84
Do., "D"	5	1955	6.62	72	...	...	81	78
N. S. Steel	5	1959	...	39	...	...	*62⅝	59
Ogilvie Flour "A"	6	1932	6.00	100	...	...	100	...
Do., "B"	6	1932	...	100	...	...	‡100⅜	100
Do., "C"	6	1932	6.00	100	...	...	100	...
Ont. Steel	6	1943	5.94	96½	...	...	100½	...
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Can.	6	1940	...	102½	...	...	*107½	106¾
Wayagamack	6	1951	...	†41	...	...	*75	45
Winn. Elec.	5	1935	...	...	...	...	99½	98¾
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Can.	6	1940	5.60	...	...	...	102½	...
Dominion Gov't. Bonds (Montreal)								
War Loan	5	1937	3.80	105.50	105.25	....	107.00	105.00
Victory Loan	5½	1933	4.87	100.60	....	....	101.25	100.25
Do.	5½	1934	5.36	100.10	100.25	100.05	100.85	99.25
Do.	5½	1937	4.26	105.00	105.50	105.00	108.15	104.00
Do., refund	4½	1940	5.55	93.00	93.25	93.12	94.60	91.50
Do., refund	5	1943	5.36	96.50	97.00	96.75	98.25	95.38
Do., refund	4½	1944	5.44	91.75	91.75	....	92.25	89.50
Do., refund	4½	1946	5.29	91.50	....	....	92.25	89.00
Do., renewal	5½	1932	3.45	100.40	....	....	100.60	100.25
Conversion Loan	4½	1956	5.31	89.25	....	....	89.00	88.25
Do.	4½	1957	5.33	89.50	....	....	89.50	88.50
Do.	4½	1958	5.03	91.75	92.25	....	92.75	89.25
Do.	4½	1959	5.08	91.25	....	....	92.25	89.00
Nat. Service Loan	5	1936	5.49	97.75	98.25	....	98.50	96.25
Do.	5	1941	5.39	96.35	97.25	....	98.25	95.00

†Latest ask.
‡Quotations for 1930. *For 1931. None recorded in 1932 to date.

Winnipeg Grain Prices

Week to May 3

Crop Year from Aug. 14 High	Low		Open Apr. 27	High for week	Low for week	Close May 3
		Wheat				
.76	.55⅛	May	.62⅜	.62⅜	.58¾	.59⅝
.77¼	.60	July	.64½	.64½	.61	.61¼
.72¾	.62¼	Oct.	.67	.67	.63⅜	.63¾
		Oats				
.38	.28	May	.33⅞	.36¾	.33¾	.34¼
.37½	.30⅛	July	.33	.34	.32¼	.32¼
.35⅝	.30	Oct.	.32	.32½	.30	.30
		Barley				
.47¾	.32¼	May	.42¼	.42¼	.39	.39⅜
.45¼	.38¼	July	.42	.42	.38½	.38⅞
.43¼	.35½	Oct.	.39⅝	.39⅝	.35½	.35⅞
		Flax				
1.21	.81	May	.97	.97⅜	.81	.81¾
1.16½	.83	July	.99¼	.99¼	.83	.83¾
1.09¼	.85¼	Oct.	1.02⅜	-.02⅜	.85¼	.86½
		Rye				
.59⅛	.32⅛	May	.43¾	.43⅞	.37	.40⅞
.59	.39	July	.45¼	.45⅜	.39	.41½
.55⅞	.42	Oct.	.46¾	.47¼	.42	.42⅜

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo

Week to May 3

High *to date	Low		Close Apr. 26	High for week	Low for week	Close May 3
		Wheat				
.72	.53¾	May	.58¼	.58½	.55½	.56¼
.64½	.53¾	July	.60⅛	.60¼	.57½	.58¼
.66¼	.59	Oct.	.62½	.62	.60½	.60¾

*Since trading opened March 3, 1931.

Winnipeg Stock Exchange

April 29, 1932

	Bid	Ask
Beaver Fire	..	115
Beaver Lumber pfd.	..	80
Can. Amer. Tr. sh.	..	3
Can. Fire Insur.	68	..
City Dairy (Wpg.) pref. 7%	50	60
Corporate Steel c.	..	5
Cres.-Cream. pfd.	..	70
Monarch Life	..	25
North. Trust	..	24
Un. Gr. Growers	..	12
Reliance Gr. pf.	..	60
West Breweries	1¾	3
Fund. Tr. shs. "A"	..	3
Do., "B"	..	3½
Grouped Inc. Shs.	..	3.21

Active Current Bond Prices

May 2, 1932

	Bid	Asked
Dominion of Canada 5½/33	100.	102.
Dominion of Canada 5½/34	100.	102.
Dominion of Canada 5/43	96.	98.
Dominion of Canada 4½/46	91.	93.
Dominion of Canada 4½/56	89.	91.
Dominion of Canada 5/36	97.	99.
Dominion of Canada 5/41	96.	98.
C. N. R. (Dom. of Can. Guar.) 4½/51	89.	91.
C. N. R. (Dom. of Can. Guar.) 4½/55	91.	93.
C. N. R. (Dom. of Can. Guar.) 5/54	91.	93.
C. N. R. (Dom. of Can. Guar.) 5/69	94.	96.
Province of Ontario 5/48	94.	95.
Province of Ontario 5½/47	100.	102.
Province of Ontario 6/35	100.	102.
Province of Ontario (Hydro) 4½/70	87.	89.
Province of Quebec 4½/56	83.	85.
City of Montreal 6/41	101½	103.
Abitibi Power & Paper 5/53	37.	43.
Argentine Gov't (Ser. B) 6/58	47.	49.
Beauharnois Power 6/59	30.	40.
Bell Telephone Co. of Canada 1st, 5/57	97.	100.
Brazil, U. S. of Ext. S. F. 6½/57	16.	17.
British Columbia Power 5/60	70.	76.
British Columbia Power 5½/60	81.	87.
British Columbia Telephone 5/60	85.	93.
Calgary Power 5/60	70.	80.
Canada Cement 1st Mtge. S. F. 5½/47	68.	78.
Canada Northern Power Corp. 5/53	70.	78.
Canada Steamship Lines 6/41	30.	40.
C. P. R. Collateral Trust 5/54	75.	80.
C. P. R. Secured Notes 4½/44	70.	75.
Chile Republic Ext. S. F. 6/60	6.	7.
Columbia Republic Ext. S. K. 6/61	18.	20.
Davies, Wm. 6/42	77.	82.
Dominion Canners 6/40	96.	100.
Dominion Square Corporation 6/48	50.	60.
Dominion Tar & Chemical 6/49	70.	80.
Dominion Textile 6/49	97.	102.
Duke Price Power 1st, 6/66	65.	75.
Eastern Dairies, Ltd., Conv., 6/49	84.	90.
Eaton, T. Realty 5/49	78.	85.
Famous Players 6/48	73.	80.
Federal Grain 6/49	70.	75.
Foreign Power Securities Corp. 6/49	55.	65.
Fraser Companies 6/50	20.	30.
Gatineau Power, 1st Mtge. 5/56	68.	74.
Gatineau Power, S. F. Debs. 6/41	65.	70.
General Steel Wares 6/52	28.	40.
Howard Smith Paper Mills 5½/53	58.	65.
Harris Abattoir 6/47	85.	90.
Manitoba Power, 1st S. F. 5½/51	58.	70.
Maple Leaf Milling 5½/49	60.	65.
Massey-Harris, 1st Mtge. 5/47	55.	65.
MacLaren Quebec Power 5½/61	70.	77.
Montreal Coke, 1st S. F. 5½/47	92.	98.
Montreal Island Power 5½/57	85.	90.
Montreal Light, Heat & Power 5/51	96.	101.
Montreal Tramways 1st Coll. Trust 5/41	90.	95.
Montreal Tramways Gen. Ref. 4½/55	65.	75.
Montreal Tramways 5/55	70.	75.
Moodie, J. R. 6/48	80.	90.
Ontario Power Service 5½/50	45.	55.
Ottawa Valley Power 5½/70	84.	94.
Power Corporation of Canada 4½/59	50.	70.
Price Bros. 1st S. F. Ser. "A" 6/43	45.	55.
Quebec Power 1st Mtge. Coll. S. F. 5/68	80.	85.
Shawinigan Water & Power 4½/70	70.	75.
Shawinigan Water & Power 5/70	75.	80.
Simpsons 6/49	60.	70.
Southern Canada Power 1st 5/55	85.	92.
United Securities Coll. Trust 5½/52	75.	85.
West Kootenay Power 5/56	75.	85.
Windsor Hotel 6½/43	85.	90.
Windsor Hotel 6/47	70.	80.
Winnipeg Electric 5/35	85.	100.

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Aluminium, Ltd., pfd.	$3	75c	June 1	May 14
Bank Can. Nationale	10%	2½%	June 1	May 14
Bank of Montreal	12%	3%	June 1	May 14
Bank of Toronto	12%	3%	June 1	May 14
Brazilian Tr.	...	*2%	June 1	Apr. 30
Borden's, com.	$3	75c	June 1	May 14
Belding Corticelli, pref.	7%	1¾%	June 15	May 31
Can. Converters	$2	50c.	May 16	Apr. 30
Cities Service, com.	30c	2½c	June 1	May 14
Do.	6% stk.	½% stk.	June 1	May 14
Can. Bank of Commerce	12%	3%	June 1	Apr. 30
Can. Hydro Electric 1st pfd.	6%	1½%	June 1	Apr. 30
Canadian Oil	$1	25c	May 14	Apr. 30
Do., pref.	8%	2%	July 1	June 20
Consolidated Sand, pref.	$4	$1	May 16	Apr. 30
Canada Bread pfd. "B"	$2	50c	June 1	May 14
Canadian Car, com.	60c	15c	May 30	May 14
Cosmos Imperial pref.	7%	1¾%	May 15	Apr. 30
Canada Wire & Cable "A"	$4	$1	June 15	May 31
Do., pref.	$6.50	$1.62½	June 15	May 31
Chase, A. W., pref.	$4	$1	May 10	Apr. 30
Dome Mines	$1	25c+20c	July 20	June 30
Dominion Bridge	$2.50	62½c	May 16	Apr. 30
Eastern Theatres, c.	$2	50c	June 1	Apr. 30
Foreign Power Secs., pfd.	6%	1½%	May 16	Apr. 30
Foundation Co.	50c	12½c	May 14	Apr. 30
Hollinger Mines	65c	5c	May 19	May 5
Kelvinator, pref.	7%	1¾%	May 15	May 5
Loblaw Grocet. "A"	80c	20c	June 1	May 12
Do., "B"	80c	20c	June 1	May 12
Lindsay, C. W., pref.	6½%	1⅝%	June 1	May 14
McIntyre Mines	$1	50c	June 1	May 14
McColl Frontenac c.	60c	15c	June 15	May 14
National Biscuit	$2.80	70c	July 15	June 17
Do., pref.	7%	1¾%	May 31	May 14
Ontario Steel pref.	7%	1¾%	May 16	Apr. 30
Power Corp., com.	$2	50c	May 20	Apr. 30
Provincial Bank	9%	2¼%	June 1	May 15
Quebec Power	$1.50	38c	May 16	Apr. 25
Rolland Paper pref.	6%	1½%	June 1	Apr. 30
Royal Bank	12%	3%	June 1	Apr. 30
Southern Can. Power, com.	$1	25c	May 16	Apr. 30
Standard Paving, pref.	$4	$1	May 16	Apr. 30
Standard Steel "A" pref.	$3	75c	July 1	June 15
Shawinigan W. & Pr.	$1	25c	May 16	Apr. 25
West Candn. Hydro, c. "A"	60c	15c	Apr. 20	Apr. 15

*Stock dividend paid in lieu of cash.

Dividends Passed or Deferred:

C. W. Lindsay, c., June 1, passed. Last paid 25c. Mar. 1, 1932.

E. Kootenay Pr. pref. June 15, deferred. Last paid Mar. 15, 1932.

Dividend Rate Reduced:

Aluminium, Ltd., pref. 75c. June 1. Reduced from $6 to $3 per annum.

A. W. Chase, pref. $1 May 10. Reduced from 6% per annum.

Canadian Car, com., 15c. May 30. Reduced from $1 to 60c. per annum.

Consolidated Sand, pref. $1 May 16. Reduced from $7 to $4 per annum.

Foundation Co. of Canada, 12½c. May 14. Reduced from $1 to 50c. per annum.

Quebec Power, 38c. May 16. Reduced from $2 to $1.50 per annum.

Shawinigan W. & Pr. 25c. May 16. Reduced from $2 to $1 per annum.

Standard Paving, pref. $1 May 16. Reduced from $7 to $4 per annum.

Extra Dividends:

Dome Mines, 20c., July 20.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co. Limited, Canada Permanent Bldg., Toronto, Ontario

Provinces	Rate	Actual Maturity	Next Int. Date	May 2, 1932	%
*Alberta	4½	1 Oct. 1958	1 Oct.	78.40	6.15
Alberta	5	1 July 1943	1 July	89.85	6.25
Alberta	6	1 Apr. 1936	1 Oct.	96.00	7.16
*British Columbia	4½	1 Oct. 1953	1 Oct.	82.00	6.00
*British Columbia	5	15 Jan. 1948	15 July	89.45	6.00
British Columbia	6	15 Aug. 1941	15 Aug.	97.75	6.32
Manitoba	4	1 July 1947	1 July	77.50	6.30
*Manitoba	5	2 Dec. 1959	2 June	86.00	6.00
Manitoba	5	15 June 1943	15 June	84.35	6.25
*New Brunswick	4	1 June 1948	1 June	97.25	5.45
*New Brunswick	4¾	15 June 1936	15 June	100.90	5.75
New Brunswick	6	1 Jan. 1936	1 July	89.55	5.45
*Nova Scotia	4½	15 Nov. 1948	15 May	93.75	5.45
Nova Scotia	5	1 May 1943	1 Nov.	102.40	5.45
*Nova Scotia	6	1 Nov. 1936	1 Nov.	93.50	5.45
*Ontario	4½	1 Sept. 1944	1 Sept.	95.00	5.45
Ontario	5	15 Oct. 1948	15 Oct.	100.75	5.45
Ontario	6	2 May 1936	2 Nov.	88.70	6.00
P.E.I.	6	1 Apr. 1939	1 Oct.	86.95	6.00
P.E.I.	4	1 Oct. 1944	1 Oct.	93.00	4.70
*Quebec	4½	1 May 1961	1 Nov.	83.05	6.50
Saskatchewan	4¼	1 Oct. 1944	1 Oct.	84.00	6.50
Saskatchewan	4½	1 Oct. 1950	1 Oct.	96.00	7.00
Saskatchewan	5	1 Feb. 1936	1 Aug.	[illegible]	[illegible]
Cities					
*Montreal	5	1 Sept. 1963	1 Sept.	92.55	5.50
*Toronto	4½	1 Jan. 1955	1 July	87.05	5.50
*Vancouver	5	15 Jan. 1970	15 July	83.80	6.10
Winnipeg	5	1 Mar. 1944	1 Sept.	88.40	6.40
*Edmonton	5½	1 Apr. 1947	1 Oct.	85.95	7.00
Calgary	5	1 Jan. 1943	1 July	84.85	7.00
Halifax	6	1 July 1951	1 July	100.00	6.00
Saint John	5	15 Dec. 1950	15 June	89.05	6.00
Regina	4½	1 July 1950	1 July	73.45	7.10
Victoria	5	21 July 1945	21 July	87.88	6.25
Quebec	5	1 June 1948	1 June	94.60	5.50

*New York payment

Stocks With Minimum Prices

Can. Canners, c.	8
Do., 1st pref.	80
Do., convert. pfd.	9
East. Steel, com.	15
Do., pref.	97
Nat. Breweries	24
Ogilvie Milling	185
Ottawa L. H. & Pr.	100
Power Corp.	36½
Price Bros.	25
Do., pref.	70
Shawinigan Power	33
Weston's, com.	38
Do., pref.	75
Trust and Loan	
Canada Perman.	175
Central Can. Loan	285
Economic Invest.	32
Huron & Erie	125
Do., 20% paid	23
Landed Banking	135
National Trust	235
Ontario Loan	100
Real Estate Loan	95
Tor. Gen. Trusts	200
Tor. Mortgage	95
Union Trust	90
Banks	
Banque Canadienne	145
Bank of Commerce	171
Dominion Bank	174
Imperial Bank	173
Bank of Montreal	195
Bank of N. S.	254
Royal Bank	191
Bank of Toronto	175

MERCURY MILLS OPERATING LOSS IS NOT CHANGED

Write-offs Increase Loss to $508,086; to Reduce Capital

Mercury Mills Ltd. had a net operating loss of $123,302 in 1931 before provision for depreciation, and bond interest, which compares with a loss of $125,583 in 1930. After provision for depreciation and bond interest, adjustment of inventories to market values, cost of moving machinery, and loss sustained on investments, the company had a loss for 1931 of $508,086 which compares with $266,891 in 1930 when no depreciation was allowed nor any write-off of inventories. During 1931, manufacturing activities were concentrated at the Hamilton mill, the Woodstock mill was closed down, and operations at the Listowell plant were confined to yarn spinning and dyeing. These changes were made in September and are stated to have resulted in economies. New lines have been developed which have found a domestic and export market.

The company will apply for supplementary letters patent to provide for reduction of capital, which is shown at $1,403,235 as at December 31, 1931. The reduction amounting to $503,235 represents a surplus resulting from the sale of securities of the company in 1928 and this reduction in capital would practically offset loss for 1931 and leave an earned surplus of $220,654.

Working Capital Down

Working capital of the company was reduced during 1931 due chiefly to reduction in inventory to $1,059,482 as compared with $1,470,692 in 1930, while in current liabilities, bank loans increased to $331,243 from $255,246. Other current items show little change with cash at $1,321, accounts and bills receivable at $340,135 and accounts and bills payable at $147,145. Comparison of working capital position in the past two years is as follows:

Working Capital

	1931 $	1930 $
Current assets	1,400,938	1,804,458
Current liabilities	526,045	448,181
Working capital	874,893	1,356,277
Ratio	2.66—1	4.02—1

Cash surrender value of life insurance and prepaid fire insurance premiums, are carried at $110,103; investments in other companies are down to $310 from $10,310 due to amount written off. Lands, buildings, machinery, equipment, are carried at $3,401,748 against which there is a depreciation reserve of $807,523. Contingent reserve remains unchanged at $60,000.

During 1931, sinking fund holdings increased by $57,418 and there remains outstanding $1,381,582 of 5½ per cent first mortgage bonds. Preferred stock of subsidiary outstanding was reduced by $3,800 to $26,600 and mortgage, payable by subsidiary, was reduced to $1,376 from $2,687. There remains outstanding 10,000 shares of 6 per cent preferred stock of $100 par value and 45,000 shares no par value common stock carried at $1,403,635. Earned surplus is shown at $125,104 and a 1931 loss of $508,086 is shown under assets pending reduction in capital. Consolidated profit and loss account of the company and its subsidiary P. K. Mills Ltd. is shown as follows:

CONS. INCOME AND SURPLUS ACCT.
Years Ended Dec. 31

	1931 $	1930 $
Net earnings‡	†123,302	†125,583
Less: Depreciation	96,240	....
Bond interest	77,632	79,256
Machinery costs^a^	24,317	....
Inventory adj.	176,594	....
Loss on invest.	10,000	....
Net profit	†508,085	†204,839
Less appropriations:		
Pref. dividend	....	62,052
Surplus for year	*508,085	*266,891
Add: Previous surplus	224,711	491,602
Tax adj.	2,217	....
Less: P. K. Mills pfd. divd.	1,824	....
Bal. carried forward	*282,981	224,711

*Deficit. †Loss.
‡After deducting all operating expenses, including bad debts, maintenance and repairs. ^a^Cost of moving machinery and installation in new locations.

PROVINCIAL GLASS DEFICIT IS $21,067

First Statement Since Formation Gives Effect to Write-offs

The first statement of Provincial Glass Co. since the company was formed to take over Perfection Glass Co. shows total assets of $732,986 at December 31, 1931. Current assets total $324,089 and current liabilities $118,302 giving a working capital of $205,787. No statement of earnings is given for the 15 months' period but deficit account stands at $21,067 as compared with deficit of $85,480 on Perfection Glass Co. at December 31, 1929, and neither deficit or surplus in the pro forma statement of October 1, 1930.

In a brief letter to shareholders, A. W. Holmested, president of the company, states that in face of keen competition the company has been able to secure its full share of business offered but that due to slackness in the building trades demand for glass has fallen off decidedly in the past two years. W. A. Roscoe, formerly manager at Montreal, has succeeded R. A. Newcombe as general manager of the company.

Bank Loan $93,500

Current assets include cash at $1,282; receivables at $136,492 and merchandise inventories at $186,315. In current liabilities are bank loan of $93,500, accounts and bills payable of $21,933 and accrued liabilities of $2,869. Properties in Montreal are carried at $208,132; those in Toronto at $167,156; a total of $375,288 against which reserves for depreciation amounting to $36,461 have been set up. At the end of 1929, fixed assets of Perfection Glass were shown at $348,761 while patents were carried at $900,000. This latter item was written down to $1 on reorganization of the company.

Mortgages on Montreal and Toronto plants total $72,500. On reorganization capital stock of Perfection Glass was exchanged for stock of Provincial Glass on a basis of 10 shares for one and there will be 21,151 no par shares of Provincial outstanding when exchange is completed. These shares are valued at $505,723 but only 13,648 shares have been issued to date. The company has contingent liability of $35,144.

Nashwaak Pulp Mill Reopening is Planned

From Our Own Correspondent

MONTREAL.—It is reported that the Nashwaak Pulp and Paper Co., of Saint John, N.B., has been acquired by Edourd Lacroix, parliamentary member for Beauce County. Operations are expected to start up this month, providing employment for several hundred men. The plant has been idle for over a year.

British Columbia Industry Sees Gain From N.Z. Treaty

From Our Own Correspondent

VANCOUVER. — British Columbia manufacturers of lumber, machinery and wrapping paper, salmon packers, and fruit and vegetable shippers will benefit substantially from the New Zealand trade agreement.

As a result of the preference rate established on lumber, this most important commodity in British Columbia industry is expected to win virtually a monopoly of the New Zealand market.

Similar preferences given to Canadian lumber in the Australian trade treaty had the effect of transferring about 50 per cent of the lumber business to British Columbia, so that now virtually 95 per cent of the softwood lumber trade in Australia is controlled here. The preference was sufficient to offset the advantage previously enjoyed by Americans due to lower freight rates.

Substantial Preference

The New Zealand lumber preference amounts to about two shillings per hundred feet or $5 a thousand. The market there represents about $3,000,000 annually.

A preference of about $1.20 a case is allowed on canned salmon, so that when the market picks up in New Zealand, British Columbia packers expect to dominate that field.

Canned vegetables, onions and fruit from British Columbia will also share the advantages of the treaty. Apples will have a preference of about 40 cents a box, sufficient, it is believed, to defeat competition from California.

U. S. DAILIES NOTE ADVERTISING LOSS

Returns for March Show No Change in Trend This Year

From Our Own Correspondent

MONTREAL. — Newspapers of 52 cities in the United States suffered an aggregate loss of 20.7 per cent in total advertising linage in March of this year compared with the same month a year ago, according to figures published by Editor and Publisher. The lowest losses were for classified, 18.3 per cent, and for retail advertising, 18.6 per cent. General advertising lost 22.5 per cent and automotive dropped 25.8 per cent below March of last year.

A report by media records, analyzing total display advertising by classifications, shows the increasing importance of retail copy in newspapers of all kinds.

Retail Display Grows

Where in 1930 retail display accounted for 65.7 per cent of total display in morning, evening and Sunday papers taken together, in 1931 this figure rose to 68.3 per cent. In Sunday newspapers this tendency was especially marked, the retail percentage rising from 65.6 per cent to 69.2 per cent.

General display advertising held its place steadily with that of total display, varying only a fraction of a per cent in all classes of newspapers. Automotive and financial display, declining much faster than other forms of advertising, dropped practically as much in percentage as retail advertising gained.

In its summary of newspaper advertising linage on the basis of reports received from 52 cities, Media Records Inc., shows total linage in March of 109,807,748, as against 138,511,587 in the same month of 1931.

David et Frère Sales Slightly Lower to Date

From Our Own Correspondent

MONTREAL. — Sales volume of David et Frère, biscuit manufacturers, is slightly lower than last year to date but it is reported that prices have shown a tendency to improve. Though it is yet too early to make a definite forecast, those close to the company expect that operations can be undertaken without incurring a deficit at the end of the year.

Competition is still keen in the biscuit industry and it is reported that the truce to price cutting which was established last year has been ended. Despite this prices are on a better basis, though the margin of profit is negligible.

In 1931 David et Frère reported an operating deficit of $13,157. This was increased by depreciation charges and dividend payments to $80,792, and a balance of $71,001 was brought forward into the current year, compared with $160,212 at the end of 1930.

Dividends on the class "A" stock were discontinued in February this year.

ALUMINIUM PLACE PREFERRED STOCK ON LOWER BASIS

Cutting Dividend in Half Reflects Uncertain Markets

From Our Own Correspondent

MONTREAL.—Aluminium Ltd. has cut in half the dividend on its 6 per cent preferred stock, the next quarterly payment being on the basis of 75 cents a share instead of $1.50.

This action was to be expected in view of the report for 1931, which showed that the decline in consumption plus the disturbed monetary situation had cut into the company earnings. The net results on last year's operations, after all charges, was a deficit of $1,992,932 compared to a balance in 1930 of $526,567.

The report stated that the reduced demand has made it necessary for Aluminium's companies to lower production to about 50 per cent of normal output. In 1931 sales to consumers amounted to approximately 21,800 metric tons, exclusive of sales to partially owned companies engaged in fabrication, which took about 5,500 metric tons.

Loss on Exchange

Loss on exchange due to the suspension of the gold currency standard in several of the countries in which the subsidiaries operate caused Aluminium a direct loss of $188,575. Further it was necessary for the company to make a special appropriation of $240,000 from the income amount for anticipated losses of a similar nature which might be suffered this year.

There is outstanding at present $13,000,000 of preferred stock, which carries a cumulative dividend of 6 per cent. An initial dividend was paid in September, 1930, and regularly up to date. The stock was originally offered in May, 1930, at 99.25 and accrued dividend.

Week's Canadian Quotations—Continued

Foreign Exchange

	New York Funds High (Premium) %	New York Funds Low %	Last Year High (Premium) %	Last Year Low %
April 27	13	11 3-4	7-128	3-64
April 28	12 3-4	11 7-8	7-128	1-32
April 29	12	11 3-4	1-32	1-32
April 30	12	11 3-4	7-128	1-32
May 2	12	11 11-16	1-16	3-64
May 3	12 1-8	11 7-8	1-16	1-32

STERLING, FRANCS AND LIRE
(Close Demand in New York)

	Sterling	Francs	Lire
April 27	3.65 3-4	3.93 3-4	5.14
April 28	3.65 1-2	3.93 5-8	5.14
April 29	3.65 3-4	3.93 3-4	5.14
April 30	3.65 3-4	3.94	5.14 1-2
May 2	3.66	3.94 1-8	5.15
May 3	3.66	3.94 5-8	5.15

FOREIGN EXCHANGE
(Close Demand in Toronto)

Par		Apr. 19	Apr. 26	May 3
5.26	Italian	5.70¾	5.75¼	5.77¾
23.80	German	26.38¼	26.56¾	26.65¾
18.90	Belgian	15.57	15.64	15.67¼
49.48	Japanese	37.02	36.64	36.68

Mining Stock Quotations

Week Ending May 2

Par Val.	Range High	1932 Low	Company	Sales	Close Apr. 25 (or last)	High for week	Low for week	Close May 2
1	.06½	.04	Abana	300	.04½	.05	.04½	.05
1	.02	.00½	Aconda	......	.00½	.....	.....	.....
No	.15	.15	Aldermac	......	.15	.....	.....	.....
1	.09	.01	Alexandria	48,500	.01½	.01½	.01	.01
1	.01½	.00¼	Algonquin	1,000	.00¼	.00½	.00½	.00¼
1	.01	.00½	Amity C.	......	.00½	.....	.....	.....
No	.22	.08	Amulet	9,665	.11½	.11	.08	.08½
1	.00½	.00½	Apex	......	.00½	.....	.....	.....
1	.02½	.01	Area	2,500	.01½	.01½	.01½	.01½
No	.03	.01½	Arno	23,500	.01½	.01½	.01½	.01½
1	.02½	.02	Asteria Rouyn	......	.02½	.....	.....	.....
1	.07	.03½	Bagamac	3,000	.05½	.04	.03½	.04
1	.00½	.00½	Baldwin	......	.00½	.....	.....	.....
1	.12	.05½	Barry Holl. new	6,950	.06½	.07	.06½	.06½
No	1.00	.50	Base Metals	400	.50	.50	.50	.50
No	.12	.04	Bidgood	104,005	.04½	.05½	.04½	.05
1	.16½	.05	Big Missouri	7,125	.06½	.07½	.06½	.06½
1	.05½	.02½	Bobjo	10,500	.03½	.04	.03	.03
1	.08	.06	Brett Trethewey	500	.06	.06	.06	.06
No	.03	.01	Brownlee	20,000	.01½	.01½	.01	.01½
1	.00½	.00½	Buckingham	......	.00½	.....	.....	.....
No	.36	.21½	Buffalo Can.	53,600	.30	.31½	.21½	.26
No	.02½	.01	Bunker Hill	3,000	.01	.01	.01	.01
5s	.50	.10	B'Wana McKubwa	......	.10	.....	.....	.....
No	.01	.00½	Cal. Flin Flon	......	.01	.....	.....	.....
No	.03	.02	Canam Metals	200	.02	.02	.02	.02
1	.04	.01½	Can. Kirkland	500	.02½	.02½	.02½	.02½
1	.09	.01½	Canusa	4,500	.02½	.02	.01½	.01½
No	.02½	.00½	Capital Rouyn	4,500	.00½	.00½	.00½	.00½
1	.07	.02½	Cartier Malartic	......	.07	.....	.....	.....
1	.15	.12	Castle Tretheway	......	.12	.....	.....	.....
1	.08	.05	Cen. Manitoba	1,200	.05½	.05½	.05½	.05½
1	.07½	.02	Cen. Patricia	625	.04	.04	.02	.04
No	.07½	.02	Chibougamau Pros.	200	.02	.04	.04	.04
No	.02	.01	Clericy	6,000	.01½	.01½	.01	.01
5	3.00	.85	Coast Copper	175	1.00	.90	.85	.85
1	.02	.01	Cobalt Contact	1,000	.01	.01	.01	.01
No	.16	.15	Cobuc	......	.15½	.....	.....	.....
1	.08	.04	Columario	2,000	.05	.04	.04	.04
5	.80	.75	Coniagas	......	.80	.....	.....	.....
No	.40	.28	Coniaurum	......	.28	.....	.....	.....
25	75.00	35.00	Cons. Smelters	957	40.00	42.00	37.50	38.00
1	.01½	.01	Crown Reserve	500	.01½	.01	.01	.01
No	12.50	9.00	Dome Mines	1,115	9.75	10.00	9.65	9.70
No	.10	.03	Dom. Explorers	15,500	.04	.04½	.04	.04
1	.01	.01	Don Rouyn	6,000	.01	.01	.01	.01
1	1.55	1.04	Eldorado	17,375	1.10	1.20	1.10	1.13
No	1.05	.60	Falconbridge	1,085	.62	.70	.60	.65
1	.04	.02	Federal	5,000	.02½	.02½	.02	.02
No	.00½	.00½	Flintoba	......	.00½	.....	.....	.....
No	.07	.01	Gem. Lake	10,100	.01½	.01½	.01	.01
1	.02½	.01½	Goldale	......	.01½	.....	.....	.....
10	.11	.10	Goldfield	......	.10½	.....	.....	.....
1	.00½	.00½	Gold Hill	4,000	.00½	.00½	.00½	.00½
1	.04	.02½	Goodfish	2,000	.03	.03	.03	.03
1	.01	.00½	Graham	......	.00½	.....	.....	.....
1	1.25	.65	Granada	3,175	.80	.80	.65	.65
1	.22	.09	Grozelle	......	.09	.....	.....	.....
1	.02½	.01	Harker	1,000	.01½	.01	.01	.01
	.26½	.26½	Harvey Gold	100	.....	.26½	.26½	.26½
1	.01½	.00½	Hilltop	13,400	.00½	.00½	.00½	.00½
5	5.70	4.45	Hollinger	8,110	4.70	4.90	4.50	4.60
1	.36	.27	Howey Gold	16,050	.28	.28½	.27	.27½
No	2.78	1.50	Hudson Bay	810	1.70	1.70	1.50	1.55
No	.20	.15	Huronian	......	.15	.....	.....	.....
No	11.00	5.75	Int. Nickel	12,486	6.50	6.75	5.75	5.75
1	.01½	.00½	Jackson Manion	6,000	.01½	.01	.01	.01
1	.23	.15	Keeley	1,200	.21	.21	.21	.21
1	.02½	.01	Keora Mines	11,500	.01	.01½	.01½	.01½
1	.70	.40	Kirk. Hud. Bay	1,500	.51	.55	.50	.50
1	.02½	.00½	Kirk. Hunton	......	.01	.....	.....	.....
1	.55	.30	Kirkland Lake	9,100	.30	.34	.31	.32
1	.03½	.01	Kirkland Premier	11,200	.01	.02½	.01½	.01½
1	.13	.07½	Kirk. Townsite	3,900	.08½	.10	.08½	.10
20c	.01½	.00½	Koot. Florence	1,000	.00½	.00½	.00½	.00½
1	.01½	.00½	La Rose	......	.01½	.....	.....	.....
1	.41	.14	Lakeland	100	.40	.14	.14	.14
1	29.50	25.75	Lake Shore	835	26.90	27.00	25.75	26.00
1	.00½	.00½	Laval	......	.00½	.....	.....	.....
1	.06½	.01½	Lebel Oro	8,000	.03	.04	.03	.03
1	.41	.26	Macassa	12,950	.28½	.30	.26	.30
1	.07	.02½	Malartic	1,000	.04	.04½	.04	.04½
No	.06	.03	Mandy	2,000	.03	.03	.03	.03
No	.01½	.00½	Manitoba Basin	......	.01	.....	.....	.....
5	19.50	15.00	McIntyre	1,105	15.80	16.10	15.00	15.00
1	.35	.25	McKinley	27,751	.32	.31	.30	.30
No	.09½	.02½	McLeod River	78,000	.03½	.04	.02½	.02½
No	1.43	.60	Mining Corp.	5,300	.68	.76	.60	.74
1	.08½	.01½	Moffatt Hall	17,250	.01½	.01½	.01½	.01½
1	.02½	.02½	Moneta	......	.02½	.....	.....	.....
1	.45	.30	Moss	34,275	.33	.37½	.32	.32½
1	.02½	.01	Murphy	......	.01	.....	.....	.....
No	.03	.01	Newbec	500	.01½	.01½	.01½	.01½
5	1.15	.62	Nipissing	......	.62	.....	.....	.....
No	19.80	14.10	Noranda	15,843	15.25	15.75	14.10	14.20
No	.24	.15	Nor. Canada	......	.15	.....	.....	.....
No	.01	.00½	Old Colony	1,000	.00½	.00½	.00½	.00½
1	.08	.05	Osisko	......	.05	.....	.....	.....
1	.08	.07	Parkhill	1,500	.08	.07	.07	.07
1	.13½	.11	Patricia Dent	......	.13	.....	.....	.....
1	.02	.01½	Pawnee Kirk	2,000	.01½	.01½	.01½	.01½
No	1.15	.65	Pend Oreille	1,625	.65	.65	.65	.65
1	.01	.00½	Peterson Cobalt	3,000	.00½	.00½	.00½	.00½
1	4.10	3.05	Pioneer Gold, B.C.	6,800	3.22	3.35	3.05	3.35
1	.05	.04	Pioneer	......	.04	.....	.....	.....
1	.00¾	.00½	Porcupine Crown	......	.00½	.....	.....	.....
1	.02	.00½	Potter Doal	......	.00½	.....	.....	.....
1	.63	.39	Premier Gold	1,400	.40	.41	.40	.40
1	.00½	.00½	Preston E. Dome	......	.00½	.....	.....	.....
No	.30	.15	Prospectors Air's	......	.21	.....	.....	.....
No	1.00	1.00	Quebec Pros.	......	1.00	.....	.....	.....
No	.06	.04	Quemont	......	.04	.....	.....	.....
1	.02½	.00½	Ribago	3,500	.01	.01½	.00½	.01
1	.02½	.01	Ritchie	8,000	.01½	.01½	.01½	.01½
1	.01½	.00½	Robb Montbray	500	.01½	.00½	.00½	.00½
No	.42	.25	San Antonio	200	.30	.40	.32	.40
1	.09	.09	Seven Troughs	......	.09	.....	.....	.....
1	.65	.29	Sherritt Gordon	13,410	.30	.34	.29	.34
1	.70	.50	Siscoe	31,455	.60½	.60½	.56½	.58
1	.03	.01½	South Keora	1,000	.01½	.01½	.01½	.01½
No	.02½	.00½	Stadacona	2,000	.01½	.01	.00½	.01
1	.17	.06	St. Anthony	700	.07	.07	.06	.07
No	.45	.20	Sudbury Basin	200	.22	.20	.20	.20
1	.01½	.00½	Sudbury Contact	......	.01½	.....	.....	.....
1	.01	.00½	Sudbury Mines	1,000	.00½	.00½	.00½	.00½
1	.12	.08	Sullivan	3,700	.09	.09	.08	.08
1	.65	.42	Sylvanite	4,300	.43½	.47	.43	.46½

Par Val.	Range High	1932 Low	Company	Sales	Close Apr. 25 (or last)	High for week	Low for week	Close May 2
1	.07	.02	Tashota	......	.02	.....	.....	.....
1	5.25	3.10	Teck Hughes	23,738	3.36	3.80	3.35	3.56
1	.03½	.02	Thom. Cadillac	......	.02½	.....	.....	.....
1	.40	.15	Towagmac	1,100	.15	.15	.15	.15
No	3.00	1.01	Treadwell	300	2.00	1.75	1.70	1.75
1	.09½	.04	United Kirkland	......	.04	.....	.....	.....
1	.01½	.01	Vacuum Gas	......	.01	.....	.....	.....
No	.53	.22	Ventures	23,750	.24	.29	.24½	.28
1	.17½	.04	Vickers	......	.10	.....	.....	.....
1	.45	.27	Vipond	18,200	.30	.30	.27	.27
No	1.00	.27	Waite Ackerman	2,300	.27½	.30	.30	.30
1	.07	.03	White Lake	1,600	.03	.03	.03	.03
1	.01	.01	Wiltsey Coughlan	......	.01	.....	.....	.....
No	3.06	2.20	Wright-Hargreaves	10,335	2.28	2.41	2.20	2.25
			OIL STOCKS					
No	.19	.11	Acme Gas & Oil	28,750	.11½	.13	.11½	.11½
1	1.17	.70	Ajax	6,450	.70	.75	.70	.70
1	.12	.05	Alta. Pacific	100	.05	.08	.08	.08
1	.03½	.02	Askalta	......	.03	.....	.....	.....
No	.10	.04	Associated	600	.05	.04	.04	.04
No	.04	.01	Baltac	......	.01	.....	.....	.....
	.05½	.00½	Benton	......	.00½	.....	.....	.....
1	.06	.02½	Brit. Dominion	300	.02½	.03½	.03½	.03½
1	.09	.04	Calmont	1,500	.05½	.04	.04	.04
No	.38	.16	Calgary & Ed.	800	.18	.20	.16	.16
1	.11	.03	Comm. Pete.	......	.04	.....	.....	.....
No	.20	.08	Dalhousie	700	.10	.11	.08	.10
No	.01	.01	Devenish	5,000	.01	.01	.01	.01
No	.02	.00½	Dome Oil	......	.00½	.....	.....	.....
No	.12½	.04	East Crest	250	.06½	.08	.06½	.06½
No	.01½	.01½	Fabyan Pete	......	.01½	.....	.....	.....
No	.10	.07	Foothills	......	.10	.....	.....	.....
No	.03½	.02	Freehold	......	.02	.....	.....	.....
1	.02	.00½	Great West	......	.00½	.....	.....	.....
No	.06½	.03	Hargal	......	.03	.....	.....	.....
No	.05	.02½	High Sarcee	......	.02½	.....	.....	.....
No	.47	.15	Home	60	.20	.15	.15	.15
No	.05	.01½	Homestead	......	.01½	.....	.....	.....
1	.50	.23	Homest'd O. & G.	600	.24	.25	.25	.25
1	.01	.00½	Illinois Alberta	......	.00½	.....	.....	.....
No	.02½	.00½	Lethbridge	......	.00½	.....	.....	.....
1	.02	.00½	Madison	......	.00½	.....	.....	.....
1	.15	.06	Mayland	350	.07	.08½	.06	.06
No	.04	.01½	McD. Segur Ex.	1,000	.01½	.01½	.01½	.01½
1	.04½	.01	McD. Segur N.	......	.01	.....	.....	.....
1	.50	.19	McLeod	705	.25½	.24	.19	.19
No	.10½	.07	Mercury	6,315	.07½	.07½	.07	.07½
No	.08	.05	Merland	1,000	.06	.05	.05	.05
No	.15	.08½	Mill City Pete	......	.08½	.....	.....	.....
1	.20	.13	Model	......	.15	.....	.....	.....
1	.05	.04	Monalta	......	.05	.....	.....	.....
1	.07	.03	Moose Mountain	......	.03	.....	.....	.....
1	.01	.01	New Federal	......	.01	.....	.....	.....
5	.14	.04	Nordon	4,200	.04½	.04½	.04	.04½
No	.04½	.02½	Oil Selection	2,000	.02½	.03½	.03	.03½
No	.05	.02½	Okalta	110	.02½	.03	.03	.03
100	15.00	15.00	Do., Pref.	......	15.00	.....	.....	.....
No	.20	.12	Olga Gas & Oil	1,000	.13	.13	.13	.13
No	.06½	.02	Penn. Pete	28,100	.02½	.02½	.02	.02½
No	20.00	20.00	Perfection Pete Pfd	......	20.00	.....	.....	.....
1	.28	.15	Petrol Oil & Gas.	600	.15	.15	.15	.15
No	.14	.08	Ranchmen's	......	.09	.....	.....	.....
1	.01	.00½	Regent	......	.01	.....	.....	.....
No	.02½	.01	Richfield	500	.01	.01	.01	.01
No	6.65	4.50	Royalite	20	4.50	4.60	4.50	4.50
1	.12	.05	Sarnia Oil	5,000	.07	.07	.06½	.07
1	.03	.01	Signal Hill	......	.01	.....	.....	.....
1	.20	.17	Spooner	100	.18½	.17	.17	.17
No	.11	.06	Sterling Pacific	......	.07½	.....	.....	.....
1	.11	.07½	Turner Valley	......	.07½	.....	.....	.....
No	.08	.04	United	200	.04½	.04	.04	.04
1	.09½	.03	Vulcan	232	.08	.03	.03	.03
No	.02	.00½	Wainwell	......	.00½	.....	.....	.....
			VANCOUVER STOCK EXCHANGE (Transaction for Week to April 27)					
25c	.00½	.00½	Bayview	......	.00½	.....	.....	.....
20c	.05	.03½	Beaver Silver	1,000	.03½	.04	.04	.04
25c	.02½	.01	Bluebird	......	.01½	.....	.....	.....
1	.12½	.06½	Bridge River Cons.	18,100	.09½	.10	.09	.09
25c	.01½	.01½	Cork Province	......	.01½	.....	.....	.....
1	.13	.06	Cotton Belt	......	.09	.....	.....	.....
1	.45	.15	George Copper	......	.25	.....	.....	.....
50c	.02	.01½	Geo. Enterprise	......	.02	.....	.....	.....
1	.04½	.02½	Georgia River	63,550	.02½	.03½	.02½	.03½
1	.24	.15½	Golconda	......	.15½	.....	.....	.....
50c	.08	.03	Grandview	1,500	.03½	.03½	.03	.03½
25c	5.25	5.25	Hecla Mining	......	5.25	.....	.....	.....
1	.01	.01	Independence	......	.01	.....	.....	.....
1	.01	.01	Indian Mines	......	.01	.....	.....	.....
1	.11½	.09	Inter. Coal	......	.11	.....	.....	.....
1	.21	.21	Jack Waite	......	.21	.....	.....	.....
25c	.00½	.00½	Kootenay King	1,000	.00½	.00½	.00½	.00½
1	.19½	.13	Lorne Gold	31,750	.15	.15	.14	.14½
10c	.02	.01	Lucky Jim	......	.01	.....	.....	.....
5c	.12	.05½	Metaline Metals	......	.05½	.....	.....	.....
1	.03	.00½	Morton Woolsey	1,750	.00½	.00½	.00½	.00½
50c	.03	.01½	National Silver	11,000	.01½	.01½	.01½	.01½
50c	.08½	.03	Noble Five	15,500	.03	.03½	.03	.03
50c	.01	.00½	Oregon Copper	......	.00½	.....	.....	.....
1	4.11	3.15	Pioneer Gold	3,465	3.40	3.40	3.15	3.20
50c	.08½	.04	Porter Idaho	2,200	.05	.04½	.04	.04
No	.01	.00½	Premier Border	......	.00½	.....	.....	.....
No	.28	.15	Reeves McDonald	......	.15	.....	.....	.....
1	.52	.21½	Reno Gold	32,880	.42	.46	.41	.43½
1	.05	.04	Ruth Hope	......	.04	.....	.....	.....
1	.03½	.02½	Silverado	......	.03½	.....	.....	.....
25c	.02	.01½	Silver Crest	......	.01½	.....	.....	.....
50c	.01½	.00½	Snowflake	39,200	.00½	.00½	.00½	.00½
20c	.02½	.01	Wellington	......	.01	.....	.....	.....
1	.04	.01	Whitewater	5,000	.04	.01	.01	.01
No	.00¾	.00½	Woodbine	4,000	.00½	.00½	.00½	.00½

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Ajax Oil	3c.	....	Noranda	50c.	3.52
Cons. Smelters	$2.50+a	6.57	Premier	12c.	....
Dome Mines	$1+20c.	12.37	Pioneer, B.C.	12c.	3.58
Hollinger	65c.	14.13	Royalite	50c.	....
Howe Sound	$1	....	Siscoe	4c.	....
Lake Shore	$2+50c.	9.61	Sylvanite	4c.	....
McIntyre	$1	6.66	Teck Hughes	60c.	16.85
McLeod Oils	5c.	....	Wright-Har.	10+2½c.	5.55

a. Stock bonus 1 share for each 20 shares held.

June and July Rains Secret of Prairie Crop

Thirty to Forty Per Cent of Annual Rainfall Comes in Those Two Months — Frequent, Moderate Rain in June is Hope for 1932

By R. M. SCOTT

Great variation in the time and amount of rainfall may occur from year to year in the great prairie section of Western Canada. Failure of early rains in a fairly warm spring greatly aggravate the moisture situation if little moisture has been frozen into the top-soil the previous fall. Lighter soils, particularly those in the southern areas in Saskatchewan, southeastern Alberta and the extreme southwest of Manitoba may dry so quickly that extensive damage may be done by winds drifting the soil about, or blowing out the planted grain. These conditions are not met with, nor appreciated, where sufficient spring moisture has covered up the fall deficiency.

Frequent and moderate rainfalls in June with short spells of warm weather between produce ideal growing conditions and are more beneficial than prolonged and heavy rains, which are almost invariably accompanied by cooler weather which holds back growth. Wheat varieties in present use mature in from 95-105 days thus indicating a rapid growth and quick maturity. Seeded in early May they should be harvested by or about August 20. Early strong and luscious growth carried into a hot and dry July suffers more damage than is generally believed. The heavy stand of grain about ready to shoot out in head demands more from the soil than can be forthcoming and the prospects of a high yielding and high quality crop disappear daily without rains and their cooling effect.

What then has been the history of rainfall in Western Canada? Generally about five per cent of the annual rainfall falls in April, states the Dominion Meteorological Service, with 12 per cent in May, 15 per cent to 20 per cent in June, the same in July and 10 to 15 per cent in August. About 60 per cent -70 per cent falls from April 1 to August 31, and approximately one-half of the annual amount falls in June, July and August. Considerable variation does occur but where records have been kept the longest, the rainiest period of the year has been found to be between May 15 and June 15 in the extreme southwest of Alberta and from June 1 to June 15 in southern Alberta and southwestern Saskatchewan. In the central portion of the grain belt the wettest period is from June 15 to July 1 and from July 1 to July 15 along the northern margin of the grain belt.

In southeastern Alberta and a large part of western Saskatchewan and generally in the northern regions of all three provinces, states the Bureau, the annual precipitation averages less than 15 inches. In a part of southeastern Alberta and southwestern Saskatchewan the annual fall is perhaps between 10 and 15 inches. Eastern Saskatchewan from the Touchwood Hills southeast to Moose Moutain Creek and through southern Manitoba the average it is calculated exceeds 15 inches, while a part of the Red River Valley in Manitoba exceeds 20 inches. Close to the mountains in southwestern Alberta the fall of 20 inches is exceeded and in the upper valleys of the Red Deer River basin 15 inches is generally surpassed.

The fact that the bulk of the annual precipitation on the prairies falls in summer, or more specifically in June and July, alone makes possible, with the initial supply carried over winter for spring germination, the large crops of grain which have been harvested from these plains. How near the actual rainfall of the past three years has been to the normal is expressed in the following tables.

Crop years date from September 1 to August 31 the next year. Fall and winter precipitation is computed from September 1 to March 31. Summer rainfall is that coming between April 1 and August 31, the growing season.

Distribution of Prairie Province Rainfall
(Data from Sanford Evans Statistical Service)

Crop Year, 1928-29

	Fall & winter	Summer	Total	Normal summer rainfall
Winnipeg	5.70	5.68	11.38	10.59
Minnedosa	2.35	4.86	7.21	10.44
Qu'Appelle	2.29	3.72	6.01	11.37
Regina	3.22	4.54	7.76	9.69
Moose Jaw	3.42	3.69	7.11	9.19
Saskatoon	1.81	5.34	7.15	10.13
Prince Albert	2.70	8.05	10.75	9.71
Battleford	1.51	7.14	8.65	8.89
Swift Current	3.50	7.41	10.91	9.63
Medicine Hat	.70	4.80	5.50	7.76
Lethbridge	2.16	8.82	10.98	9.10
Calgary	2.01	5.48	7.49	10.40
Edmonton	3.28	8.23	11.51	11.53

Crop Year, 1929-30

	Fall & winter	Summer	Total	Normal summer rainfall
Winnipeg	6.36	13.48	19.84	10.59
Minnedosa	6.89	8.43	15.32	10.44
Qu'Appelle	6.73	7.06	13.79	11.37
Regina	13.31	5.83	19.14	9.69
Moose Jaw	5.24	5.67	10.91	9.19
Saskatoon	4.54	6.33	10.87	10.13
Prince Albert	4.57	8.88	13.45	9.71
Battleford	3.30	10.29	13.59	8.89
Swift Current	4.44	9.13	13.57	9.63
Medicine Hat	.95	6.80	7.75	7.76
Lethbridge	5.96	6.01	11.97	9.10
Calgary	3.81	7.94	11.75	10.40
Edmonton	2.93	7.78	10.71	11.53

1915-24

Crop Year, 1930-31

	Fall & winter	Summer	Total	Normal summer rainfall
Winnipeg	7.79	8.85	16.64	10.59
Minnedosa	3.34	7.74	11.08	10.44
Qu'Appelle	4.20	6.19	10.39	11.37
Regina	10.72	7.35	11.07	9.69
Moose Jaw	4.59	8.27	12.86	9.19
Saskatoon	4.72	6.3	10.85	10.13
Prince Albert	6.71	6.48	13.19	9.71
Battleford	8.24	6.59	14.89	8.89
Swift Current	4.54	6.48	11.02	9.63
Medicine Hat	5.62	4.03	9.65	7.76
Lethbridge	4.96	4.86	9.82	9.10
Calgary	4.97	6.17	11.14	10.40
Edmonton	4.03	15.78	19.81	11.53

Note the comparison between "summer" and "normal summer" rainfall in each year and the general deficiency in each year in the great central and southern areas of Saskatchewan, in southeastern Alberta and southwestern Manitoba, a territory which at the present time is suffering from a general shortage of sub-soil or reserve moisture and consequently must depend very largely on the May and June rainfall for this year's crop.

RATES STILL HIGH ON SPECIFIC ITEMS OF ZEALAND PACT

Comparison With Former Treaty Provisions Shows Many Increases

From Our Own Correspondent

OTTAWA. — Analysis of comparative rates on specific items mentioned in the Canada-New Zealand trade treaty brought down here last week reveals that in spite of definite gains made on certain specific commodities notably undressed lumber, rubber goods, automobiles and so forth, there are still difficulties in the way of trade with that country due in large measure to the 22½ per cent surtax which is imposed on the majority of items imported into that country.

The following tabulation shows the specific rates mentioned in the new treaty as compared with the rates which Canada received under the old treaty which was finally abrogated last year after radical revisions extending over the previous 12-month period. It will be noticed that in many cases the new duties are actually higher than under the old schedule, even without the surtax.

	Old Treaty	New Treaty
Onions, per ton	£1	£1 plus 22½% surtax.
Canned peas	20% or 1d. per lb., whichever is higher	20% or 1½d. per lb., whichever is higher, plus 22½% surtax.
Canned salmon	1½d. per lb.	1½d. per lb., plus 22½% surtax.
Fresh apples & pears	1d. per lb.	1d. per lb., plus 22½% surtax.
Calcium carbide	Free	Free plus 3% ad valorem.
Crude gypsum	Free	Free plus 3% ad valorem.
Silk or artificial silk hosiery	25%	32½% plus 22½% surtax.
Raw furs	5%	5% plus 22½% surtax.
Dressed furs	25%	25% plus 22½% surtax.
Childrens footwear & gum boots	Free	25% plus 22½% surtax.
Other footwear	25%	25% plus 22½% surtax.
Plaster board, etc.	20%	35% plus 22½% surtax.
Plaster of Paris	Free	Free plus 3% ad valorem.
Pulp paper	Free	Free plus 3% ad valorem.
Cultivators, harrows, etc.	10%	35% plus 5% surtax.
Ploughs, etc.	Free	Free plus 3% ad valorem.
Electric cook. & heating appliances	20%	30% plus 22½% surtax.
Restricted kinds of wrapping paper	Free	Free plus 3% ad valorem.
Laths and shingles	10%	20% plus 22½% surtax.
Timber, rough, sawn per 100 sup ft.	3 to 5 shillings	7s. 6d. to 9s. 6d.
Timber, dressed, per 100 sup ft.	7s. 6d.	19 shillings.

Motor Car Duties

The new duties on motor cars can best be stated in general terms. The duties under the old arrangement were 20 per cent up to the value of £200 and 15 per cent on any value in excess thereof. The new duties are based on two calculations. If the exported car is 75 per cent or more Canadian material and/or wages the new duties will be 26½ per cent. If only 50 per cent Canadian materials and/or wages, the duty will be 30¼ per cent.

These duties apply to cars valued at not more than £200. If the value exceeds this amount the duties on the 75 per cent content clause will be 32 per cent and under the 50 per cent clause 42 per cent.

Inside information here indicates that an effort will be made very soon to have the treaty revised. Negotiations along this line will be started at the Imperial Economic Conference next July and may proceed rapidly. This treaty is to run for one year only, though it will remain in force until notice of abrogation is given. The Bennett government is very happy to have a treaty at all to submit to the present session of Parliament.

Until recently obstacles to agreement seemed insurmountable. The final discussions, it is understood, turned on wool. The treaty admits New Zealand wool to Canada free of duty. The Bennett government would have preferred to place a tariff against wool, but to have done so would have destroyed all hope of reaching an agreement at this time. The treaty tariff on wool, as it stands, is embarrassing to the government because the sheep farmers of Canada have been demanding tariff protection. They have a good many powerful supporters in the Conservative membership of the Commons. Only a few weeks ago a resolution, introduced by a Conservative, calling for tariff protection on wool was endorsed by the government and carried almost unanimously.

Quebec Central Rentals Cover Interest Needs

From Our Own Correspondent

MONTREAL. — Balance sheet of Quebec Central Railway as at December 31, 1931, showed investment in road and equipment at $13,217,387, and total assets of $13,388,567. Liabilities show funded debt at $7,693,406 and the sum of $284,745 at profit and loss.

The company does not publish details of operating revenue. The property is leased to the Canadian Pacific Railway at a guaranteed rental based upon the interest on funded debt and a 5 per cent dividend on outstanding stock.

Rental from C. P. R. in 1931 was $636,921 which was distributed according to the guarantee.

Confed. Amusements Earnings Show Gain

From Our Own Correspondent

MONTREAL.—Earnings of Confederation Amusements, a company operating a chain of six motion picture theatres in Montreal, are reported as being ample to cover bond interest requirements to date. Public investment interest in the organization is confined to an issue of $325,000 6½ per cent first and general mortgage bonds.

Revenue has been improved by operation of a new theatre opened early in the year. This unit, which has a seating capacity of around 1,500, has proved a money maker since its completion, a factor due in part to its favorable location in a residential section. Its earnings have more than offset a decline in another of the company's houses located in an industrial section affected by plant shut-downs.

To date, however, it is stated that the chain as a whole has achieved greater patronage than in the same period last year, and earnings are regarded as satisfactory.

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Canadian Mining News

HOLLINGER REPORT SHOWS 1931 PROFIT 71c ON COMMON

Greater Recovery Costs and Development and Less Ore

INVESTMENTS LESS

Working Capital Down Owing to 72 Per Cent Loss in Investments by Subsidiary

Highlights of the annual report of Hollinger Consolidated Gold Mines for the year ended Dec. 31, 1931, are: higher recovery due to increased tonnage and higher grade ore; lower profits due to increased costs for development; a small decline in ore reserves and a severe decline in working capital due to depreciated values of investments.

Earnings amounted to $3,508,204 as against dividend requirements of $3,444,000, which is equivalent to 71.3 cents a share on the 4,920,000, $5 par value shares outstanding and compares with earnings of $3,963,728 or 80.5 cents per share in the previous year.

The following is a comparison of income and surplus account for 1931 and 1930:

Income and Surplus Account Years Ended Dec. 31

	1931 $	1930 $
Rev. from prod.	10,528,865	10,263,504
Int. on invest. and other income	416,120	639,427
	10,944,985	10,902,931
Oper. & gen. exp.	6,949,860	6,529,900
Oper. profit	3,995,125	4,373,031
Taxes	410,105	289,150,
Depreciation	76,816	120,153
Net profit	3,508,204	3,963,728
Dividends paid	3,444,000	3,444,000
Surplus	64,204	519,728
Prev. surplus	11,629,888	11,110,160
Surp. forward	11,694,092	11,629,888
Net earn. per share after all charges	0.713	0.805

The working capital of the company showed a decline to $1,477,258 from $1,525,121 shown the previous year. This is accounted for by capital expenditures on plant, now carried in the balance sheet at $104,780 as compared with $1 in 1930. In addition the company has $11,195,980 invested in its subsidiary, International Bond and Share Corporation, whose investments on December 31 had a market value of $3,104,440. This investment trust was organized as a subsidiary of the company in 1929 to invest the company's earned surplus and as at Dec. 31, 1931, the investment made had depreciated 72 per cent.

The following is a comparison of current assets and liabilities for 1931 and 1930:

Working Capital

	1931 $	1930 $
Current assets	2,122,270	2,303,019
Current liabilities	645,012	777,898
Working capital	1,477,258	1,525,121

During 1931, 13 regular dividends of five cents per share and a bonus of five cents per share, were paid, disbursing $3,444,000. This brings the total dividends disbursed by the company, since commencement of dividends in 1912, to December 31 last, to $58,069,600.

During 1931 the mill operated at from 65 to 75 per cent of its rated capacity and averaged approximately 4,500 tons of ore daily, which is a new high record since 1928.

The following tabulation shows the production and recovery since the commencement of operations:

Summary of Operations Years Ended December 31

Year	Tons milled	Recovery per ton $	Bullion value $
1910	813	38.35	31,194
1911*	1,000	46.08	46,082
1912	45,195	20.11	909,181
1913	138,291	17.82	2,465,978
1914	208,936	12.85	2,688,355
1915	334,750	9.50	3,160,928
1916	601,854	8.43	5,073,401
1917	514,301	8.29	4,261,938
1918	578,755	9.87	5,752,371
1919	711,882	9.45	6,722,266
1920	650,205	9.56	6,219,665
1921	1,072,493	9.36	10,031,051
1922	1,491,381	8.23	12,274,114
1923	1,366,352	7.64	10,446,412
1924	1,659,475	8.10	13,429,226
1925	1,929,988	8.18	15,786,405
1926	1,932,559	7.65	14,780,637
1927	2,178,329	6.68	14,548,900
1928	1,778,470	6.03	10,712,822
1929	1,549,157	6.09	9,433,767
1930	1,625,868	6.31	10,263,505
1931	1,640,705	6.39	10,528,865

*Records destroyed by bush fire, estimates only.

Operating costs, including taxes, in 1931 totalled $4.48 per ton which with five cents per ton for depreciation brings the total cost to $4.53 per ton as compared with $4.27 per ton in 1930. The increase in costs is attributed to mining and is made up of 30 cents per ton for extra development work, while economies effected during the year, in other ways, lowered other costs eight cents per ton.

Despite increased development costs, the value of the indicated ore reserves shrunk to $46,241,688 or an average of $7.41 per ton, from $48,806,685 or $7.38 per ton shown in the previous year. A decrease in the broken ore reserves of 172,370 tons is reported and is attributed to changing over from the shrinkage system of mining to the slice and fill method. At the date of the report — April 19, 1932— about 30 per cent of the mining had been converted over to the slice and fill system.

Dr. Graton and his staff have continued their investigations of studying the veins and rocks and expected to complete their work by October, 1932.

A. F. Brigham, general manager of the company, reported on developments as follows:

"During the year work has been carried on from the surface between all levels to the 3,950 foot level. Above the 800 foot level mining is principally in pillars, vein bottoms and some newly discovered veins. Every effort is being made to finish this feature in order to reduce supervision. The same applies in a lesser degree to the horizons from the 800 foot level to the 2,750 foot level, below which cross-cutting and drifting is being actively pushed. The sinking of the prospect shaft to the 5,550 foot level as noted in the 1930 report has been postponed pending further geological information with a view to locating it where it will least interfere with the progress of subsequent mining. Twelve levels are being opened up from the 2,750 to the 3,950 foot horizons. In all satisfactory ore has been encountered. It is confidently expected that ore body will persist below the 3,950 foot level.

Ontario Gold Output Near Record Levels

Individual Production Shows Steady Progress Stimulated By Exchange Compensation

Gold production for the three months ended March 31, 1932, as reported by the Ontario Department of Mines, is shown at $11,167,541 exclusive of exchange compensation. The exchange compensation received by Ontario gold producers in the same period was $1,467,478. Production from the Porcupine area established a new all-time quarterly record with an output of $5,112,248. The Kirkland Lake area had an output of $5,706,905 being within $154,151 of the record fourth quarter in 1931. Northwestern Ontario had an output of $348,388, about $2,000 below the record fourth quarter of 1931.

During the first quarter of 1932 there were 15 producing gold mines in Ontario. Their individual productions, recovery per ton, and daily milling rates are given below in comparison with the last quarter of 1931 and the total output for 1931.

KIRKLAND LAKE CAMP

Barry-Hollinger

	1st quar. 1932	4th quar. 1931	Total 1931
Tons milled	8,817	7,969	31,958
Total rec. $	40,165	63,213	224,457
Rec. per ton $	4.55	7.93	7.02
Tons daily	97	87	89

Kirkland Lake Gold

	1st quar. 1932	4th quar. 1931	Total 1931
Tons milled	13,911	13,850	52,628
Total rec. $	141,009	147,501	586,251
Rec. per ton $	10.15	10.65	11.14
Tons daily	153	150	144

Lake Shore

	1st quar. 1932	4th quar. 1931	Total 1931
Tons milled	204,869	212,650	816,580
Total rec $	3,027,000	3,230,000	11,065,618
Rec. per ton $	14.78	15.18	13.55
Tons daily	2,250	2,325	2,235

Sylvanite

	1st quar. 1932	4th quar. 1931	Total 1931
Tons milled	23,265	24,269	91,621
Total rec. $	213,785	223,599	901,168
Rec. per ton $	9.21	9.13	9.73
Tons daily	256	266	259

Teck-Hughes

	1st quar. 1932	4th quar. 1931	Total 1931
Tons milled	118,300	122,300	444,410
Total rec. $	1,442,898	1,409,161	6,093,199
Rec. per ton $	12.20	11.50	13.70
Tons daily	1,300	1,330	1,233

Wright-Hargreaves

	1st quar. 1932	4th quar. 1931	Total 1931
Tons milled	73,102	63,510	266,352
Total rec. $	842,048	709,091	2,909,837
Rec. per ton $	11.50	11.26	10.93
Tons daily	803	706	740

PORCUPINE CAMP

Coniaurum

	1st quar. 1932	4th quar. 1931	Total 1931
Tons milled	35,462	32,160	130,585
Total rec. $	234,645	174,753	751,352
Rec. per ton $	6.52	5.43	5.75
Tons daily	390	354	357

Dome

	1st quar. 1932	4th quar. 1931	Total 1931
Tons milled	133,450	136,250	542,600
Total rec. $	960,560	828,549	3,512,066
Rec. per ton $	7.20	6.07	6.48
Tons daily	1,475	1,480	1,485

Hollinger

	1st quar. 1932	4th quar. 1931	Total 1931
Tons milled	415,367	414,825	1,640,705
Total rec. $	2,347,575	2,881,859	10,528,864
Rec. per ton $	5.65	6.95	6.42
Tons daily	4,565	4,500	4,560

March Gold

	1st quar. 1932	4th quar. 1931	Total 1931
Tons milled	13,782	14,069	58,462
Total rec. $	41,123	52,759	217,586
Rec. per ton $	2.98	3.75	3.72
Tons daily	151	152	160

McIntyre

	1st quar. 1932	4th quar. 1931	Total 1931
Tons milled	168,572	176,600	617,425
Total rec. $	1,408,329	1,277,659	4,756,880
Rec. per ton $	8.36	7.24	7.70
Tens daily	1,850	1,920	1,725

Vipond

	1st quar. 1932	4th quar. 1931	Total 1931
Tons milled	25,604	24,935	100,214
Total rec. $	120,016	135,512	569,451
Rec. per ton $	4.69	5.43	5.68
Tons daily	282	271	275

NORTHWESTERN ONTARIO

Howey

	1st quar. 1932	4th quar. 1931	Total 1931
Tons milled	74,762	64,541	211,552
Total rec. $	278,632	253,293	866,606
Rec. per ton $	3.73	3.93	4.10
Tons daily	820	710	580

Minto

	1st quar. 1932	4th quar. 1931	Total 1931
Tons milled	4,685	3,887	9,448
Total rec. $	37,774	45,836	72,824
Rec. per ton $	8.05	11.87	7.71
Tons daily	51	42	50

Parkhill

	1st quar. 1932	4th quar. 1931	Total 1931
Tons milled	4,401	5,414	9,082
Total rec. $	31,982	51,434	68,811
Rec. per ton $	7.26	9.50	7.57
Tons daily	48	59	40

TECK'S DIVIDEND IS SAFELY EARNED IN LAST QUARTER

Quarter Ended Feb. 29 Shows Earnings of 19 Cents Per Share

The interim earnings statement accompanying dividend cheques from Teck-Hughes Gold Mines confirmed the statement appearing in last week's Financial Post that dividends were being earned. For the six months ended Feb. 29, 1932, estimated profits were officially given at $1,661,110 or equivalent to nearly 35 cents per share. Inasmuch as earnings for the three months ended Nov. 30, 1931, were approximately 16 cents per share it is deduced that for the three months ended February 29, earnings were equivalent to approximately 19 cents per share or 25 per cent higher than in the first fiscal quarter.

Production figures for the fiscal quarters are not given by the company but government production figures show that for the three months ended March 31, there was a substantial increase in the production owing to the higher grade of ore treated. The value of the recovery for the three months ended March 31, was $1,442,898 from 118,300 tons of ore treated, or an average recovery of $12.20 per ton.

The following is a statement of earnings:

Interim Earnings Statement

	3 mos. end. Nov. 30 1931 $	6 mos. end. Feb. 29 1932 $
Gross income	1,485,460	3,160,100
Total oper. cost	578,300	1,178,382
Net earnings	907,160	1,981,718
Less estim. taxes	75,810	168,208
Net earn. before depr.	831,350	1,813,509
Est. for deprec.	76,200	152,400
Net profit (estim.)	755,150	1,661,109
Earn. per share	$0.157	$0.347

SELENIUM OBTAINED IN COPPER REFINING

Metal Not Previously Recovered in Canada

Selenium is the latest addition to the several refined metals now produced in Canada, according to a statement issued by the Canadian Government Department of Mines.

Selenium finds its chief market in the glass industry where it is used as a colorizer and for neutralizing other colors; it is also used in the pottery industry for the same purpose. In the manufacture of rubber products, the new metal serves as a vulcanizing and accelerating agent and because of reputed properties of increasing resistance to abrasion of rubber up to as much as 80 per cent, it may have a large potential market in the rubber industry. One of the most important potential uses is in the production of selenium cells for television transmission and reception.

This metal, now included in Canadian mineral products, is not very abundant in nature though fairly widely distributed. It is found associated with sulphur compounds and often accompanies sulphides of heavy metals in the form of selenides. In the electrolytic refinery of copper, the selenium remains in the slime or residue, from which it is extracted. The normal price of selenium during 1931 was $1.80 to $2 a pound and the marketable forms are amorphous powder and small rods and buttons. It is expected that research will develop new uses for selenium and broaden the market for this relatively new commercial product.

Index to Mining Stocks

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 50.2 for the week ending April 25, as compared with 51.3 for the previous week.

Eleven gold stocks fell from 51.3 to 50.7, four gold-copper stocks from 56.3 to 53.9, and five silver and miscellaneous stocks from 18.2 to 16.3.

COPPER EMBARGO RAISES QUESTION OF B. C. REFINERY

Western Producers Faced With Problem if U. S. Tariff Raised

From Our Own Correspondent

VANCOUVER.—Construction of a copper refinery on the Pacific Coast may be one of the results of the threatened embargo on Canadian copper in the United States. While copper producers in British Columbia are still hopeful that copper shipments to the United States will not be interfered with by tariff action, they say that such action might indirectly have beneficial consequences for the industry.

British Columbia produced 93,000,000 pounds of copper last year. Most of it was sent to the United States to be refined, but a small proportion was sent to Eastern Canadian refineries and this movement will be increased in the event of United States tariff action. Some years ago British Columbia sent a considerable quantity of copper direct to Swansea, Wales, for treatment and it is thought probable that this traffic will be revived.

If the proposed duty applies to blister and copper concentrates it would affect Britannia and Granby production, no less than the refined product. Granby has been shipping some of its blister copper to the Eastern Canadian refinery.

Shipment of concentrates from the coast mines to the Trail smelter of Consolidated Mining & Smelting Company can be made and refining could be developed to a greater extent there, but high freight charges are a deterrent.

Henry Bros. Mines Arranges For Funds

Henry Bros. Mines, owning a gold prospect in the Woman Lake area, Patricia district, Ontario, has made arrangement with an English group for funds to complete a diamond drilling programme at the company's property, according to official information.

Last summer surface work was conducted and a number of channel assays returned encouraging values over widths up to 15 ft. No. 1 vein has been opened up on the surface for a length of 500 ft. over a commercial width, while No. 5 vein has shown widths over 10 ft. and has been traced for a distance of 1,500 ft.

A contract has been let for taking in the necessary supplies and operations are planned to start immediately after the spring break-up.

O'Hearn & Company Deny Any Link With Teck Raid

Since publication of last week's issue which carried a feature article on the decline in the value of Teck-Hughes shares, F. O'Hearn & Company have advised The Financial Post that they have had no short selling, whatsoever, nor any American selling in this stock and have not been a party to any bear raid on the Standard Stock and Mining Exchange.

Of course, the article in question made no such allegation against O'Hearn & Company, but as the O'Hearn & Company were the only brokerage house mentioned in the article (although in another connection) partners of that concern feel that some readers may have drawn such an inference from the article.

A profusely illustrated bulletin has just been issued by the Quebec Bureau of Mines on the Dubuisson gold area, reported on by Dr. J. E. Hawley. The geology and the development of the gold, copper and molybdenite properties in Dubuisson, Bourlamaque and LaCorne townships in Abitibi County, are covered. The principal feature of the bulletin is the outlining of the granodiorite mass around which the promising gold discoveries have been made.

ARCTIC FLYING SHOWS AIRMEN AS NAVIGATORS

Mid-Winter Hop to Stake Coal Claims Gives Added Laurel

FEATS OF G-CASK.

"Wonder Ship of North" Has Remarkable Flying Record Over Years

As a by-product of the dash to the border of the Arctic Circle last March by George Douglas and the staking of coal outcrops on the arm projecting into Great Bear Lake known as the Scented Grass Hills, Mr. Douglas praises northern pilots highly for the part they play in mining exploration work.

The feat of Mr. Douglas in being able to direct the pilot to an elusive indenture in the shore line 100 miles west of Echo Bay where he noticed a coal outcrop 20 years ago, is in itself remarkable. It was all the more remarkable as the flight occurred in the middle of the Arctic winter when the landscape markings were not well defined and landing places for aeroplanes were not frequent. The rapidity with which northern exploration is conducted today is exemplified in the case of Mr. Douglas. Leaving Toronto on a Monday by train for Edmonton, a distance of some 2,100 miles, he embarked by plane from that point along the northern aerial highway to Great Bear Lake, thence northwest to the site of his observation of coal 20 years ago. In telling of the exploit Mr. Douglas gave great praise to Walter Gilbert, Canadian Airways pilot and his mechanic, Rudolf Heuss, for their ability as navigators.

Fast Time Made

One week from the day that Mr. Douglas left Toronto he had covered the distance to Great Bear Lake, had staked the coal outcrop, and was back at Fort Smith, well on his return journey to Edmonton —a trip that by old methods of transportation would have taken months. Mr. Douglas contends that the flying feats of our northern pilots have been largely concealed from the public owing to the secretive nature of their errands and the retiring nature of the men themselves in not wishing their exploits made public. These pilots will tell you, he said, that there is more romance in driving a car on the paved highway and a great deal more risk than flying to the northern outposts.

The trip to the site of the coal outcrop added one more laurel to the Canadian Airways Fokker plane, designated as G-CASK, and known as the "Wonder ship of the North." That this particular plane should figure in so many outstanding northern exploits has caused it to be regarded as having a charmed existence. It was put into service in August, 1928, and since that time has figured in more headline exploits than any plane in Canada. One of its first trips was to blaze the first air trail from Hudson's Bay westward through the barren land. The route was from Winnipeg to The Pas, Churchill, Chesterfield Inlet, Baker Lake and down to Lake Athabaska and back to Winnipeg. During this trip it was piloted by "Punch" Dickens. The first link in the chain of circumstances that has made the "CASK" famous was on this trip, when a forced landing was made en route for Fitzgerald. After consuming the last drop of life-giving gasoline, with miles from the nearest gas cache or habitation, good fortune smiled on the party within a few minutes after landing, by the appearance of the S. S. Echo, making its annual trip and carrying in its hold a supply of gasoline.

Air Mail Route Surveyed

This feat was followed in October, 1928, by an air survey of the Prairie Air Mail route by Pilot Buchanan, delimiting the first air mail route from Winnipeg to Regina and the inauguration of the initial air mail service.

The next achievement of the "CASK" was to the Oxford Lake area, northeast of The Pas, Manitoba. Here 150 miles from the closest habitation, affording mechanical facilities, the motor starter failed and the absence of the starting crank from the flying kit left the motor facing sub-zero weather with no means of starting. An abandoned blacksmith forge a few miles away was the means of converting a tool to a starting crank and again the plane was able to continue on its homeward journey.

It was in April, 1929, that the "wonder ship" again figured in its history-making exploits, always in the hands of a different pilot, this time Pilot Thompson. The route planned lay from The Pas north to Hudson's Bay with the intention of following the shore line, but mid-winter snow and ice left no distinguishing shore line to guide them. Eskimo Point was finally reached but no safe landing field was afforded. The rough ice hummocks made the risk of carrying off the landing gear very great. Here again the skill of the northern pilot was demonstrated and a safe landing effected with only the loss of a tail skid. Commonplace flying for the "CASK" ensued throughout the summer of 1929 until in August it figured in taxi-ing the fire-ridden inhabitants of Cranberry Portage to points of safety.

Hopped 9,000 Miles

The next hop for the "wonder ship" was a circuitous 9,000-mile hop around the fringe of the Arctic to Alaska, down the Pacific Coast to Prince Rupert and back to Edmonton and Winnipeg.

In late summer, 1929, a sister ship was slated to take the MacAlpine exploration party on its now famous jaunt, but after the plane had been engulfed in Hudson's Bay, CASK, this time under Pilot Brown, went to the site of the accident to pick up the party and continue the trip. The season was already late for a journey northward and the party was forced down near the Coronation Gulf. The subsequent finding of the party need not be re-told, but the "CASK" was left marooned for eleven months through the rigors of Arctic winter without protection until it was salvaged the following summer. Despite eleven months' weathering, the engine started with little difficulty and was flown back to Fort MacMurray for a complete overhaul. A hurried overhaul it was for the CASK was despatched to Hunter Bay on Great Bear Lake to take over the Burwash party on its magnetic pole expedition. The season was closing for Arctic flying when the CASK made its memorable flight over the north magnetic pole and again returned to its base after another history-making flight.

After commonplace flying, involving flights over distances that would be reported as phenomenal by less modest pilots, the CASK started 1932 with another history-making flight, returning with its motor purring, awaiting new worlds to conquer.

Dash to Arctic to Stake Coal Outcrop

-CA
ROYAL MAIL

Veteran Canadian Airways plane G-C.A.S.K. figures in history making flight to Great Bear Lake where George M. Douglas, staker (centre figure), pilot Gilbert (left) and mechanic Heuss, relocated, last March, a coal outcrop found by Mr. Douglas 20 years ago, while on an expedition to the area.

NICKEL SHOWING FAITH IN FUTURE BY ADVERTISING

Historical Series of Institutional Advertising is Inaugurated

Faith in the future of nickel is being manifested by International Nickel Co. through a series of institutional advertisements featuring the history of the element down through the ages.

The first of the series entitled "Out of the East Came Paktong," is by a Toronto artist, Charles Comfort, and depicts a caravan coming through the mountain passes of Asia 2,200 years ago laden with "paktong," the earliest known nickel alloy, making its way to the markets of India and Bactria. This ancient alloy of nickel was much admired in Western Europe, when it was introduced in the early days of China trade by the East India Co., and efforts were made to duplicate it.

In future advertisements, illustrated by the same artist, the story will be told of the finding of nickel in Ontario and the subsequent problem that confronted the company before an abundance of the metal and its alloys were made available by scientific research.

Highly Thought Of

The initial advertisement has brought much favorable comment for its excellent execution and historical setting and like the balance of the series will be appreciated for the manner with which it acquaints the Canadian public with the Canadian product—nickel and "Monel Metal."

The campaign is expected to stimulate interest in the company's products to the point where it will dispel the common conception that the company has no marketing problems because it is practically a world monopoly. The publicity given the company's operations in recent years featuring its huge expansion programme and its enormous ore reserves at Sudbury, has to a large extent overshadowed the company's real problem, that of making or finding markets for nickel. Proven ore reserves have fortified the company for decades to come with a source of supply and the expansion programme has provided facilities for a huge anticipated demand, but the present period of industrial curtailment has placed the company much in the same position as it was a decade ago following the Great War. In 1921 and 1922 the annual production of nickel was less than 10,000 tons. Last year it was 38,000 tons which emphasizes what can be accomplished through advertising and research work in finding new markets.

New Interest In Nickel

It is expected that this new institutional advertising campaign will give Canadians a new and different conception of the International Nickel, which will cause them to take greater interest in the company's products and problems and that its shareholders particularly may realize that through the sale of the company's products throughout the world, it is performing an economical service for Canada in the creation of a favorable trade balances. An interesting phase of the company's operations is its transportation costs. In 1930 the Canadian railroads alone received over $4,000,000 in freight for handling the company's ore and smelter products. In the same time it paid out to Canadian workmen in excess of $10,000,000. This, in a slack year of production emphasizes the importance of the industry directly to Canadian workmen and indirectly through railway transportation.

Although Canada produces over 90 per cent of the world's nickel the consumption of the element by Canadians, as far as it can be traced through sales channels, is less than two per cent, while "Monel Metal," a natural alloy and product from the Creighton mine, only finds sale for 3 per cent of its production in Canada. Neither is nickel or Monel Metal without competitors. Other metals, such as vanadium, molybdenum and chromium, as well as various alloys of these metals are finding their way into the market as competitors of nickel. It is expedient that Canadians acquaint themselves with the products of its nickel mines that they may find increasing sale in the marts of the world.

San Antonio Gold Latest Producer

San Antonio Gold Mines is the latest property to enter the ranks of Canada's steadily increasing gold mining operations. Final touches are being given the mill and tuning up operations are in progress, preparatory to inaugurating the regular production on the basis of 150 tons of ore daily.

Owing to the spring break-up news from the property will be delayed until such time as the lakes are free of ice, again permitting aeroplane communication. The first mail out from the property, following the break-up, is expected to carry full details of initial production operations.

RENO GOLD BUYS ADJACENT CLAIMS INCLUDING MILL

Tram Planned to Connect Properties Enabling Reno to Resume

A dispatch from Vancouver advises that Reno Gold Mines, which lost its mill last February by fire, has now acquired the adjoining Nugget-Motherlode claims on Fawn Creek, about 13 miles south of Salmo, B.C.

The Reno mill, which had a capacity of 35 tons daily, had been in steady production since August, 1929, and plans were being considered for a mill enlargement. With the purchase of the Nugget-Motherlode claims goes a 100-ton daily capacity cyanide mill, built about 12 years ago but which has been inactive for several years. A water power plant furnished the necessary power for operations. It is claimed that altogether approximately $300,000 has been spent on the Motherlode surface plant and that while obsolete in some respects, it can be rehabilitated at a small expense. The mill is stated to be capable of being increased to a capacity of 500 tons daily.

The Motherlode and Nugget properties adjoin the Reno claims on the south which are at about 3,000 ft. higher elevation. It is claimed that with the Motherlode mill at a lower elevation, economical operation is possible and it is planned to construct a 12,500 ft. aerial tramway to connect the Reno property with the newly-acquired mill. Thus the one tramway will be capable of serving all three of the mines. The former Reno mill was operated by Diesel engine power, while the Motherlode mill will be operated by water power which, it is estimated, will effect considerable saving. In addition, the location of the mill will eliminate the necessity of keeping the road open to the Reno claims, since supplies can be delivered over the tramway during the severe winter season when the mountain road is closed.

During former operations the Motherlode property produced 37,153 oz. gold and 15,025 oz. silver, while the Nugget claims produced 21,409 oz. gold and 4,836 oz. silver having a total value of approximately $1,216,731.

The loss of the Reno mill was fully covered by insurance, which also covered use and occupation. It is claimed that the Reno's cash position is such that it will be able to rehabilitate the property, construct the aerial tramway and enter upon its new phase of operation without additional funds being raised.

Small Charge Moves Cobalt Lake Tailings

Last week at Cobalt a 100-pound charge of blasting powder caused 400,000 tons of solid earth at Cobalt to disappear from view.

This movement is said to constitute a record for the size of the charge. An accumulation of years of tailings from the mills at Cobalt, which had displaced the water in Cobalt Lake to a depth of approximately 45 feet, was moved into the lower levels of the Mining Corp. mine by the charge. On the property of the Mining Corporation there remained a section of the upper workings of the mine that could not be explored owing to the danger of the tailings breaking into the lake and permitting the old slimes to flow in. To overcome this the engineers conceived the idea of lowering the lake level by filling the lower workings of the mine with the tailings and last week a hole about six by 12 feet was blasted through the narrow partition that held the lake back. One small shot made the opening that permitted approximately 400,000 tons of the tailings to flow into the lower workings of the mine and exposed on the shore of the lake a vein structure estimated to contain 500,000 ounces of silver.

DOME COMMITTEE ACTIVE PRESSING DIVIDEND INCREASE

Annual Meeting May 30 May See Dividend Policy Changed

Shareholders of Dome Mines are in receipt of notice calling the annual meeting of the company to be held in Toronto on May 30. Whether or not this meeting will be as amicable as former meetings will depend on how far Jules Bache, president of the company and his co-directors are prepared to go toward meeting the wishes of the newly formed shareholders' committee in respect to higher dividends.

The committee has not yet appealed to Dome shareholders for proxies, but has pursued the policy of making its wishes known to the Dome directorate in the hope that favorable consideration would be given to their wishes. The committee contends that, having regard for Dome's large earned surplus, it is in the interests of shareholders that the company disburse present earnings in dividends. In the last fiscal year earnings before reserves for depreciation and depletion were $1.77 per share as against current dividends of $1 per share.

In its letter to Mr. Bache, the committee emphasized the need and desire of most shareholders today for the greatest disbursement of dividends possible, owing to other sources of income being curtailed. It called attention to the fact that gold mining is one of the few industries today that are in a thriving condition and that companies with an adequate working reserve should in the interests of their shareholders pay the largest dividends possible. "Profits of the period belong to the shareholders of the period," is the slogan of the committee.

In reply to the committee's letter, Mr. Bache expresses sympathy with the viewpoint but said he was only one member of the directorate and that before consideration could be given to the matter it would have to have the approval of the balance of the directors.

The committee has made it quite plain to Mr. Bache that it has no quarrel with the management of Dome, and believes the company is sane and conservatively managed, but that the policy of the company in accumulating earnings instead of disbursing them as dividends has resulted in incurring a loss, which on December 31, 1931, amounted to 35 per cent of the cost of the investments made. This, the committee declare, would not have been possible had the company disbursed its earnings as made.

Considerable publicity has been given to a reputed statement by Mr. Bache that it was his ambition to "place an equity of $10 per share behind the stock." Mr. Bache contends that he never made such a statement nor intended that such an impression should be conveyed.

PROSPECTING BAN IS LIFTED IN B. C.

Coal, Oil and Natural Gas Reserves Are Thrown Open to Public

From Our Own Correspondent

VANCOUVER.—Seeking to encourage a revival of intensive prospecting under private enterprise, the British Columbia government has lifted all coal, oil and natural gas reserves in the province.

Reserves now open to public exploitation include the famous coal region north of the Canadian National Railways, known as the Ground Hog reserve, and which has been reserved from development since 1919.

In the Peace River district, where oil reserves were retained under provincial control after the land had been turned over to the federal government, oil bearing formations have been reserved for many years, and the government hopes that the removal of all restrictions in that area will lead to extensive development.

"We are presenting an invitation to all to prospect for oil, gas and coal," said Hon. Nels Lougheed, minister of lands.

Telegram, Sleeper Taxes Became Effective May 2

Specific taxes on long-distance telephone calls, telegrams, cables and on sleeping car tickets and cheques which have been effective on May 2, are as follows:

On all cheques or other instruments from $5 to $100, a three-cent stamp tax; above $100, six-cent tax.

On all telegrams and long-distance telephone calls costing more than 15 cents, a tax of five cents, payable by the sender or calling party.

On chair car tickets 10 cents and on sleeping accommodations a levy of 10 per cent with a minimum of 25 cents.

Canadian chartered banks started business without the new 3 cent revenue stamps which the government is having printed and were forced to use 2 cent postage stamps or a combination of postage and revenue stamps.

Nine Per Cent Increase in Output of Canned Food

Total production of the canned foods industry in 1930 amounted to $65,411,154 as compared with $60,075,629 in the previous year, according to figures received by the Dominion Bureau of Statistics. Although there were 30 less establishments in 1930 with a total of 737, capital invested increased $7,734,300 to $65,001,082.

Total production of individual groups in 1930 was as follows: Canned fish, $19,433,617; canned fruits and vegetables, $31,458,411; [illegible] 604,743 and canned meats, $914,381.

Steel of Canada Produces Monel Metal Traffic Marker

Steel Company of Canada have announced a new traffic marker to take the place of painted lines, etc., and claim for their product economy as compared with the old style markers.

The Stelco traffic marker resembles a huge thumb tack in shape. Before the prong point is sunk in the pavement, the head being made of Monel Metal and the base of specially treated malleable iron and provided with prongs which spread out on installation and provide a permanent anchorage. The company claim that the brilliant finish of the Monel Metal head will wear for years and will not require painting or polishing in any way to make it stand out.

Tailings

Canadian Pandora Gold Mines has cut a downward extension of its No. 5 vein system, according to reports from Cadillac township, Quebec. The downward extension was picked up north of the shaft on the 250-ft. level and where cut had a width of 3½ ft. No assays have been published, but the vein is reported to be heavily mineralized.

At the annual meeting of Acme Gas & Oil Co., held in Toronto on May 2, it was reported that the company's No. 1 East Texas well rated among the best wells in the field. The company owns 430,000 shares of Oil Selections Ltd., which also owns two producers in the Texas field. W. S. James was elected a director of the company.

The combined value of copper and nickel shipments to the Norwegian refinery by Falconbridge Nickel Mines during the first quarter of 1932 totalled $368,516 and consisted of 517,100 pounds of copper [illegible] and 650,500 pounds of nickel. [illegible] amounted to 31,205 tons producing 1,480,562 pounds of nickel in matte and 619,857 pounds of copper in matte.

Problems of Postal Service

Taking in an area of 922,397 square miles, the Edmonton postal district is one of the largest in the Dominion's mail delivery services, uses conveyances ranging from dog teams to airplanes in the course of distribution.

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